



---

---

MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION

---

---

**CONSUMER ADVISORY**

---

---



March 27, 2020

**COVID-19 Information for Consumers:  
Payment Relief for Student Loans**

If you anticipate having trouble making a loan payment because of COVID-19 related circumstances, notify your student loan servicing company as soon as possible to discuss your options. Early and regular communication could mitigate the impact of any trouble you may be having.

Regularly visit your servicer's website to keep up with the latest developments and keep a written record of all your interactions with your servicer.

Visit [StudentAid.gov/coronavirus](https://StudentAid.gov/coronavirus) for forthcoming details.

**Federal Student Loan COVID-19 Announcements**

**From March 13, 2020 to March 25, 2020 the federal government announced a number of initiatives and actions to assist student loan borrowers.**

The U.S. Department of Education announced the following:

- Borrowers with a federally held student loan will automatically have their interest rates set to 0% for a period of at least 60 days. In addition, non-defaulted borrowers will have the option to suspend their payments for at least two months. This will allow borrowers to temporarily stop their payments without paying accruing interest. **To request this, borrowers should contact their loan servicer online or by phone.**
- Student loan servicers have been directed by the Department to grant an administrative forbearance to any borrower with a federally held loan who requests one. The forbearance will be in effect for a period of at least 60 days, beginning on March 13, 2020. In addition, the Department also authorized an automatic suspension of payments for any borrower more than 31 days delinquent as of March 13, 2020, or who becomes more than 31 days delinquent. **To request this forbearance, borrowers should contact their loan servicer online or by phone.**
- Borrowers who want to continue making payments, like those seeking Public Service Loan Forgiveness (PSLF) or those enrolled in a repayment plan with a manageable monthly payment, can do so and the full amount of their payment will be applied to the principal amount of their loan once all interest accrued prior to the March 13, 2020 announcement is paid.

- The Department will suspend collection actions and wage garnishments for 60 days from March 13, 2020. Borrowers should contact their employers' human resources department to check that wage garnishments have ceased.
- Student loan servicers have been instructed to halt all proactive collection activities, including making phone calls to borrowers and issuing collection letters and billing statements.
- Borrowers with defaulted student loans, a current relationship with a private collection agency, and an interest in continuing a prior payment arrangement, consolidating their loans, or beginning a loan rehabilitation arrangement with their private collection agency, should contact the **Department's Default Resolution Group at 1-800-621-3115 (TTY for the deaf or hearing-impaired 1-877-825-9923)**. Private collection agencies are permitted to provide assistance upon the borrower's request.

Private Student Loans do not qualify for these programs. Private student loan borrowers should discuss their personal situation with their student loan servicer.

Whether you have private student loan or a federal student loan, when you speak with your student loan servicer ask about the most current interest or payment suspension/waiver programs.

Visit [StudentAid.gov/coronavirus](https://studentaid.gov/coronavirus) for the latest details about the Education Department's guidance on student loan repayment.

## General Repayment Information

### Federal Student Loans

For federal student loans, there are [several repayment plans available](#) to reduce your payments, including:

- [Income-driven repayment](#) plans, like [Income-Based Repayment \(IBR\)](#), [Pay As You Earn \(PAYE\)](#), [Revised Pay As You Earn \(REPAYE\)](#), or [Income-Contingent Repayment \(ICR\)](#)
- [Graduated repayment](#)
- [Extended repayment](#)

You may also be able to postpone your payments under [deferment](#) or [forbearance](#). More information is available from the [U.S. Department of Education](#).

### Private Student Loans

Unlike federal student loans, there are no standard options to lower your monthly payments on a private student loan. Every lender is different and some will offer modified repayment plans that are similar to the federal programs, particularly graduated repayment.

If you are worried about missing payments, then contact your servicer or visit the servicer's website to see what options you may have. If you know you can't make a payment, call the loan servicer as soon as possible to discuss the situation.

## **Additional Resources for Student Loan Borrowers**

If you need assistance with your student loan servicer, contact the **Student Loan Ombudsman** in our Office by email at [studentloan.ombudsman@maryland.gov](mailto:studentloan.ombudsman@maryland.gov) or by phone at 410-230-6185.

The U.S. Department of Education, Office of Federal Student Aid has [coronavirus and forbearance information for students, borrowers, and parents](#).

The Consumer Financial Protection Bureau has information on [protecting your finances during the coronavirus pandemic](#).

## **About Our Office**

The Office of the Commissioner of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's banking and financial services regulatory agency. For more information about the Office and the industries it supervises, go to [labor.maryland.gov/finance](http://labor.maryland.gov/finance).



Office of the Commissioner of Financial Regulation  
Maryland Department of Labor