

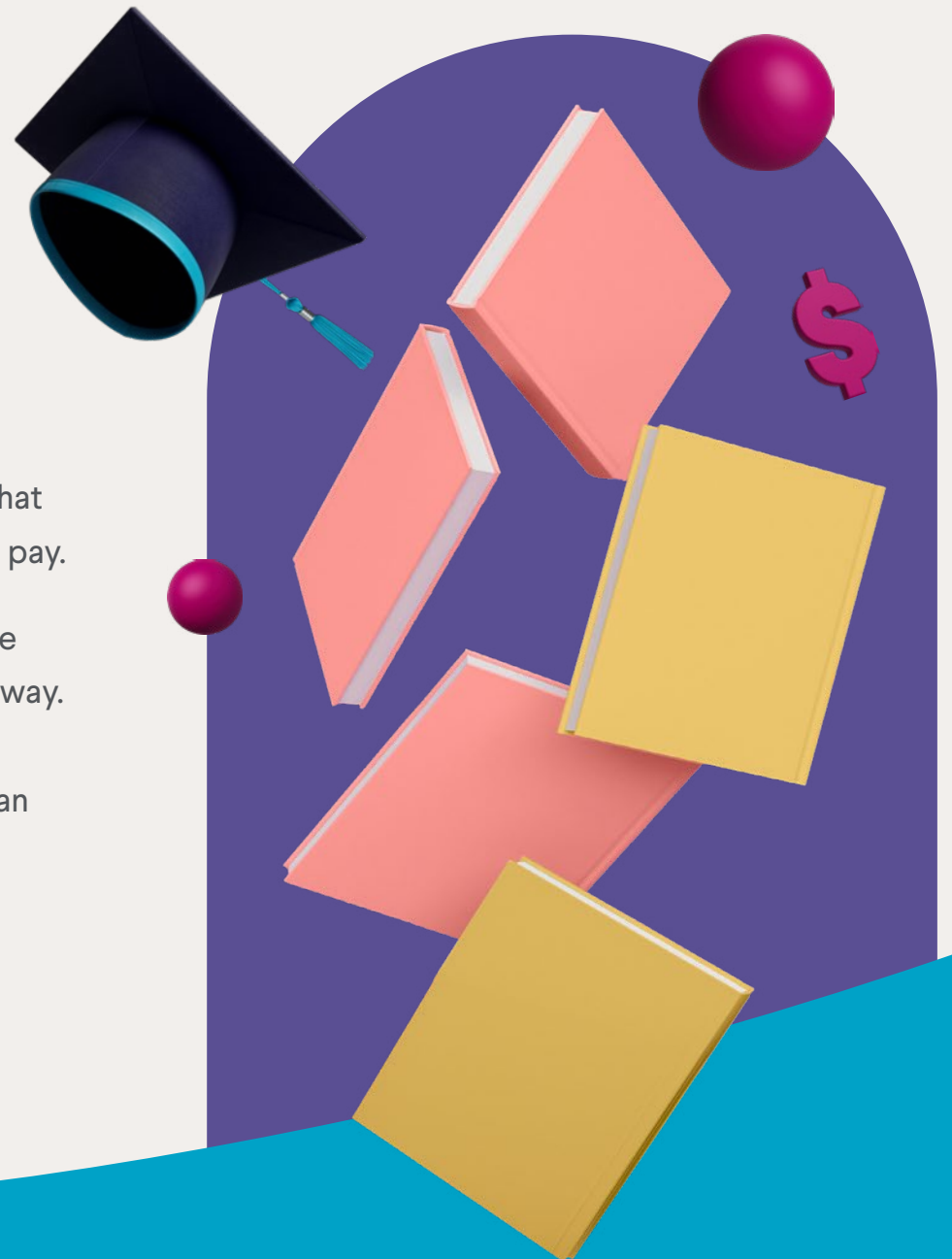
# Federal student loans shouldn't be so hard. Let's make them easier.

Many borrowers enjoyed a break from their student loan payments during the CARES Act pause. When repayment began again last year, 60% of borrowers started making payments again, but 40% didn't.<sup>1</sup> Perhaps they're hopeful that their loans will be forgiven, or maybe they're just unable to pay.

If you're one of these 40%, you're not alone, but you may be facing some risks. This handy guide can help you find your way. You can also get answers to important questions like: How to make your loan payments, how to communicate with loan service providers, and whether refinancing is right for you.

See the possibilities

<sup>1</sup>Cuadra, Deanna. "40% of Student Loan Borrowers are Missing Payments. 3 Ways Employers Can Help." *WEBN*, 3 January 2024, <https://www.benefitnews.com/list/40-of-student-loan-borrowers-are-missing-payments>



# If you haven't started federal student loan repayment yet, when do you have to start?

Federal student loan repayment resumed after the CARES Act pause ended last year. If you're a borrower who should have started repayment but didn't, you have until **September 30, 2024** before loan providers may notify the three major credit bureaus about delinquent accounts. This information could potentially ding your credit score and make it difficult for you to qualify for credit cards, other loans, and housing.



## If you're a new grad, there may be a grace period—or not.

For most federal student loan types, after you graduate, leave school, or drop below half-time enrollment, you have a 6-month grace period (sometimes nine months for Perkins Loans) before you must begin making payments.

A grace period can give you time to get your finances in order and select your repayment plan. Not all federal student loans have a grace period, though. And keep in mind that for most loans, interest will keep accruing during your grace period.

## Set it and forget it—get a 0.25% interest rate deduction.

Set up an automatic monthly electronic debit of your federal loan payment to your servicer from your checking or savings account, and you'll receive a [0.25% interest rate deduction on Direct Loans](#).

# How and when to start making payments.

Paying your federal student loans doesn't have the exact same process or timeline for everyone. Depending on the type of loan you have and your loan servicer or school, or your school's billing agency, where and when you need to send your federal student loan payments can vary. In the meantime, this chart can help steer you in the right direction.



## Type of loan: Refinanced student loans



## Send payments to: The bank currently holding your loan or their loan servicer



## When to send payments: Check your financing documents

Direct Loans and FFEL loans owned  
by U.S. Department of Education

Your loan servicer

Check with your loan servicer

FFEL loans not owned by  
U.S. Department of Education

The bank, credit union, or other  
lending institution that made the loan  
(also known as the lender)

Check with your lender

Federal Perkins Loans

Your school or the billing agency  
your school designates

Check with your school

Refinanced Student Loan

The bank currently holding  
your loan or their loan servicer

Check your financing documents

# Should you consider refinancing your federal student loans?

If you can get a lower interest rate, it could be well worth your time to refinance. Plus, **you can always refinance now and do it again later if rates drop further.** It's important to weigh your options, because federal student loans come with unique benefits and risks. If you have high-interest federal loans, private loans, or a mix, refinancing could potentially reduce your interest rate and help you save thousands.

## Benefits of federal student loans.

- **Lower rates:** Income-driven programs could lower your monthly payments.
- **Forgiveness:** Some repayment plans can forgive your remaining balance if your loans are not repaid in full at the end of your repayment period.
- **Public Service Loan Forgiveness (PSLF):** Individuals with federal student loans who plan to take a job at a qualifying public service organization can take advantage of forgiveness benefits.
- **Easy to qualify:** Almost anyone can qualify for some form of federal student loans, regardless of creditworthiness.

## Benefits of refinancing.\*

- **Lower rates:** You could save thousands with competitive fixed or variable rates.
- **Lower monthly payments:** Depending on the terms you select, you could lower your monthly payment amount.
- **Convenience:** Refinancing can help you consolidate both federal and private loans into one loan with one monthly payment.
- **Flexible terms:** Pick a repayment plan that works for you, your goals, and your budget.

# Everything you need to know about Public Service Loan Forgiveness (PSLF).

If you're employed by a U.S. federal, state, local, or tribal government, or a not-for-profit organization, you might be eligible for the Public Service Loan Forgiveness Program. [The PSLF Program](#) forgives the remaining balance on your Direct Loans after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer.

## Do you qualify?

To qualify for Public Service Loan Forgiveness (PSLF), you must:

- Be employed by a U.S. federal, state, local, or tribal government, or a not-for-profit organization (federal service includes U.S. military service).
- Work full-time for that agency or organization.
- Have Direct Loans (or consolidate other federal student loans into a Direct Loan).
- Repay your loans under an income-driven repayment plan.
- Make 120 qualifying payments.



# Is income-driven repayment right for you?

Income-driven repayment (IDR) plans establish a monthly student loan payment that's based on your current income so it's more affordable for you. The Biden Administration's SAVE Plan is one such option that remains open, despite ongoing legal review. And if you're already enrolled in SAVE, there's no change to your monthly payment arrangements.

## There are four income-driven repayment plans available:

- Saving On a Valuable Education Plan ([SAVE Plan](#))
- Pay As You Earn Repayment Plan (PAYE Plan)
- Income-Based Repayment Plan (IBR Plan)
- Income-Contingent Repayment Plan (ICR Plan)

## Has your income status changed since the student loan pause?

If it's time to revisit your need for an IDR plan, you have several options:

- **Recertify.** To recertify your existing IDR plan, you must provide updated information about your income and family size each year.
- **Recalculate.** If your income or family size changed, you can request that your plan payment be recalculated to potentially reduce your monthly payment.
- **Switch your plan.** If you are currently enrolled in an income-driven repayment plan, you can switch to another IDR plan.
- **Make a one-time IDR account adjustment.** Past periods of repayment, deferment, and forbearance might now count toward your IDR forgiveness.

## Choose the loan that's right for you.

Although you may select or be assigned a repayment plan when you first begin repaying your student loan, you can change repayment plans at any time—for free. Contact your loan servicer directly if you're interested in exploring repayment plan options or changing your repayment plan.

# Avoid default—get ahead **before you get behind.**

If you haven't made your payments and are now in default, don't lose hope—and don't give up! You still have options to get out of default. And if you're having difficulty but you haven't defaulted yet, try to avoid doing so if at all possible. Defaulting on your loans can harm your credit score and make it difficult or more expensive for you to establish credit or make purchases, such as a car or a home.



## Consider a deferment or forbearance.

A **deferment** gives you a temporary breather from your payments—and, in most cases, the interest that accrues—if you meet certain conditions. Deferment applies to Direct Subsidized Loans, the subsidized portion of Direct Consolidation Loans, Subsidized Federal Stafford Loans, the subsidized portion of FFEL Consolidation Loans, and Federal Perkins Loans.

A **forbearance** is a temporary break from your monthly loan payments, where such payments are either put on hold or the amount is reduced. A forbearance is typically granted if you're unable to make your payments due to a financial hardship. While your principal payments are paused for a time, the interest will continue to accrue.



## Already in default? Get a fresh start.

Take advantage of Fresh Start, a one-time temporary program through the U.S. Department of Education (ED). But don't wait—**Fresh Start ends on September 30, 2024.** It takes just ten minutes to apply and you can get special benefits if you've defaulted on your federal student loans. Go to [myeddebt.ed.gov](https://myeddebt.ed.gov) and log in to your account to get started or [learn more about Fresh Start](#).







## Learn more about your debt— and explore your options.

The SoFi at Work Student Loan Debt Navigator Tool can help you understand your entire student debt situation more clearly, plus get guidance on lowering monthly payments and paying off debt sooner. All you have to do is answer a few simple questions and you'll get a variety of helpful recommendations to help you make better decisions about your debt.



### **Avoid default. And avoid overpaying.**

With the SoFi at Work Student Loan Debt Navigator Tool in your arsenal, you'll be able to look into refinancing options, repair a default, explore deferment or forbearance options, and become more confident about reaching your financial goals. [Explore what your options are.](#)



### **Your credit score could save you money.**

If you have a high credit score, but you're also paying a high interest rate on your loans, you could refinance to a lower rate and save money. Head to your SoFi at Work portal where you can check your credit score for free—monitor your score and get updates when it changes.





## Get the support you need and help you deserve.

### **Work with a SoFi Financial Planner—at no additional cost to you.**

Everyone can use a financial planner in their lives—everyone. Getting personalized guidance from someone who really understands finances can help you map out a course of action that can be life changing. SoFi at Work offers this valuable complimentary benefit—so be sure to take advantage of it. Just watch your financial well-being and confidence improve.

[Schedule a call](#)

### **Get financially fit with your own student loan specialist.**

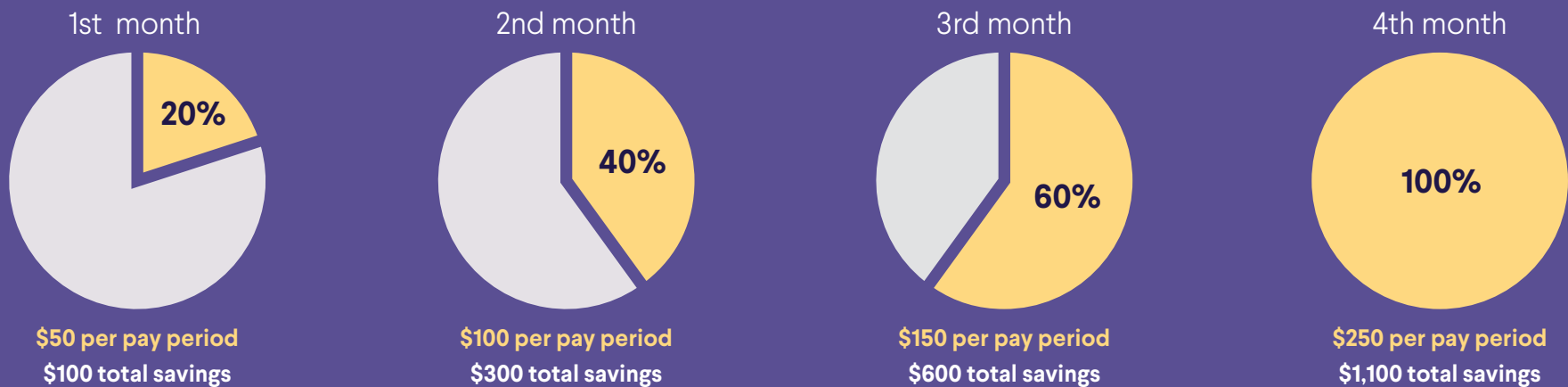
SoFi at Work Student Loan Specialists are adept at helping you navigate a variety of complex income situations and navigating student repayment. They're also highly skilled in the refinancing process. With your very own student loan specialist focused on your personal situation, you'll get the one-on-one guidance you need to help make your debt more manageable.

[Book a visit](#)

# How to create your own stress-free savings strategy.

Designed to reduce the shock of a potentially large monthly student loan payment, a graduated direct deposit savings program helps you create an action plan for paying your loans that feels doable right away and becomes even easier over time. Don't worry—you've got this.

## Graduated direct deposit savings program<sup>†</sup> with a \$500 expected monthly payment.



<sup>†</sup>This plan offers a buffer in the event an unexpected bill comes in. Source: SoFi at Work Analysis.



### Grow your money faster with a high-yield savings account.

Watch your money grow with a high-yield savings account that actually makes money for you. Open a SoFi Checking and Savings account, set up direct deposit, and enjoy a highly-competitive APY—it's just a better way to bank.

Open an account

Products available from SoFi on the Dashboard may vary depending on your employer preferences.

**\*NOTICE:** If you are a federal student loan borrower, you should consider all of your repayment opportunities including the opportunity to refinance your student loan debt at a lower APR or to extend your term to achieve a lower monthly payment. Please note that once you refinance federal student loans you will no longer be eligible for current or future flexible payment options available to federal loan borrowers, including but not limited to income-based repayment plans or extended repayment plans.

Financial Tips & Strategies: The tips provided on this website are of a general nature and do not take into account your specific objectives, financial situation, and needs. You should always consider their appropriateness given your own circumstances.

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When you open a SoFi Savings Account, SoFi Bank will also automatically open a SoFi Checking Account in your name. See the [SoFi Bank Deposit Account Agreement](#) for details.

SoFi Relay offers users the ability to connect both SoFi accounts and external accounts using Plaid, Inc.'s service. When you use the service to connect an account, you authorize SoFi to obtain account information from any external accounts as set forth in SoFi's Terms of Use. Based on your consent SoFi will also automatically provide some financial data received from the credit bureau for your visibility, without the need of you connecting additional accounts. SoFi assumes no responsibility for the timeliness, accuracy, deletion, non-delivery, or failure to store any user data, loss of user data, communications, or personalization settings. You must confirm the accuracy of Plaid data through sources independent of SoFi. The credit score is a VantageScore® based on TransUnion® (the "Processing Agent") data.

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