



CARES Act and How it Affects your Student Debt

Presented June 2020



President Lee Saunders



LEE SAUNDERS, AFSCME President

Hello, union family and welcome to this AFSCME student debt webinar. I want to take this chance to thank you for the incredible work you're doing on the front lines of this public health crisis. When our communities need us most, that's when we bring our very best. Every time the nation confronts a challenge or crisis, AFSCME members all across the country answer the call.

During this time when you're working under greater pressure and with higher stakes than ever, the last thing you need is anxiety about crushing student loan debt. This webinar is designed to give you some peace of mind – to ease your burden and give your family greater economic security during this difficult time.

We'll talk about different relief options that can help you reduce or even eliminate your debt. And we'll discuss new benefits you may qualify for under the CARES Act, a new coronavirus relief law passed in March.

Thank you again for your service and sacrifice – especially now. We continue to fight every day to ensure that public service workers get the respect they deserve – whether it's on student debt, access to PPE, or aid to state, cities and towns to maintain vital public services.

Please visit our website at afscme.org for more resources and information on how to best do your jobs and protect yourselves. Stay safe, and I hope you find this webinar helpful.



Welcome

Agenda

Review COVID-19 Relief Under the CARES Act

Understand Student Loans

Explore Other Federal Student Debt Relief Programs (IDR and PSLF)

Examine Private Student Debt Relief

Learn How to Get Out of Default

Discover SUMMER – Student Debt Relief Tool

Access Student Debt and COVID-19 Resources

Q&A with Student Debt Experts



Summer

OUR PARTNERS

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STUDENT
BORROWER
PROTECTION
CENTER

Student Loan Repayment During the Coronavirus Pandemic

Presented by the Student Borrower Protection Center

May 2020

COVID-19 Relief Under the CARES Act

New protections under the CARES Act

Through September 30, 2020:

- 0% interest
- Automatic payment suspension
- Qualified payments for PSLF and IDR forgiveness
- Suspension of all collection activity
 - Wage garnishment
 - Social Security benefits offset
 - Tax refund offset

Only for Covered Loans (Direct Loans & Some “FFELP” Loans)

What you need to know: Six tips if you're covered by CARES

1. Payment suspension and interest waiver are automatic
2. Turn off autopay
3. Check your credit
4. Continue to enroll and recertify income-driven repayment plans
5. Request a refund for payments auto-debited after March 13, 2020
6. Garnishment pause must be done via your employer, but *should be* automatic

Who is covered? Types of student loans

Covered in CARES Act	Not covered in CARES Act
Direct Loans	Perkins Loans
Federal Family Education Loans (FFELP) owned by ED	Federal Family Education Loans (FFELP) owned by private companies
	Private Student Loans

Federal Loans vs. Private Loans

How to tell what type of federal student loan you have

Step 1: Log into studentaid.gov

Step 2: Under your student aid dashboard, navigate to “View Details”

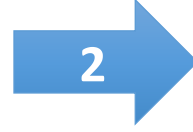
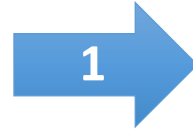
Step 3: On the top right, select “Download My Aid Data”

The screenshot shows the Federal Student Aid website interface. At the top, there is a navigation bar with the logo 'Federal Student Aid' and an office of the U.S. Department of Education. Below the logo are four menu items: 'UNDERSTAND AID', 'APPLY FOR AID', 'COMPLETE AID PROCESS', and 'MANAGE'. The main content area is titled 'MY AID' and features two progress indicators: 'Loans' (a blue arc) and 'Grants' (a green arc). A red box highlights the 'VIEW DETAILS >' link next to the Grants indicator. A large blue arrow points down from this link to the 'Download My Aid Data' button in the 'Aid Summary' section below. The 'Aid Summary' section has tabs for 'LOANS' and 'GRANTS', with 'LOANS' selected. A red box highlights the 'Download My Aid Data' button with a help icon. Below this is a 'STUDENT AID TIP' section with an information icon and text: 'It looks like you've recently completed school, withdrawn, or dropped below half-time enrollment. This means that you will soon need to start making payments on your federal student loans. You can use [Loan Simulator](#) to explore your repayment options.'

How to tell what type of federal student loan you have

Direct and ED-held FFELP Loans

1. Determine FFEL or Direct
2. Will state “Current ED Servicer”
3. Current Lender will be listed as U.S. Dept of Ed



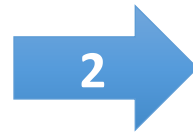
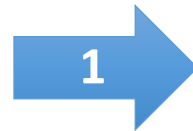
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Loan Type:FFEL STAFFORD SUBSIDIZED
Loan Award ID:
Loan Attending School Name:
. . .
Loan Contact Type:Current ED Servicer
Loan Contact Name:DEPT OF ED/FEDLOAN SERVICING(PHEAA)
Loan Contact Street Address 1:P.O BOX 530210
Loan Contact Street Address 2:
Loan Contact City:ATLANTA
Loan Contact State Code:GA
Loan Contact Zip Code:303530210
Loan Contact Phone Number:800-699-2908
Loan Contact Phone Extension:
Loan Contact Email Address:accountinfo@myfedloan.org
Loan Contact Web Site Address:http://myfedloan.org
Loan Contact Type:Current Servicer
Loan Contact Name:DEPT OF ED/FEDLOAN SERVICING(PHEAA)
Loan Contact Street Address 1:P.O. BOX 69184
Loan Contact Street Address 2:
Loan Contact City:HARRISBURG
Loan Contact State Code:PA
Loan Contact Zip Code:171069184
Loan Contact Phone Number:800-699-2908
Loan Contact Phone Extension:
Loan Contact Email Address:accountinfo@myfedloan.org
Loan Contact Web Site Address:http://www.myfedloan.org
Loan Contact Type:Current Lender
Loan Contact Name:U.S. DEPT OF ED/2008-2009 LPCS
Loan Contact Street Address 1:830 FIRST ST., NE
Loan Contact Street Address 2:
    
```

How to tell what type of federal student loan you have

Commercially held FFELP Loans

1. FFEL only
2. Will state “Current Guaranty Agency”
3. Current Lender will be a bank or other private company



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Loan Type:FFEL CONSOLIDATED
Loan Award ID:
Loan Attending School Name:SCHOOL CODE FOR CONSOLIDATION LOANS
. . .
Loan Contact Type:Current Guaranty Agency
Loan Contact Name:AMERICAN STUDENT ASSISTANCE
Loan Contact Street Address 1:PO BOX 16129
Loan Contact Street Address 2:
Loan Contact City:ST. PAUL
Loan Contact State Code:MN
Loan Contact Zip Code:55401
Loan Contact Phone Number:833-896-1626
Loan Contact Phone Extension:
Loan Contact Email Address:asaservicing@ecmc.org
Loan Contact Web Site Address:http://ecmc.org
Loan Contact Type:Current Servicer
Loan Contact Name:AMERICAN EDUCATION SERVICES
Loan Contact Street Address 1:PO BOX 2461
Loan Contact Street Address 2:
Loan Contact City:HARRISBURG
Loan Contact State Code:PA
Loan Contact Zip Code:171052461
Loan Contact Phone Number:800-233-0557
Loan Contact Phone Extension:
Loan Contact Email Address:WEBMASTER@PHEAA.ORG
Loan Contact Web Site Address:
Loan Contact Type:Current Lender
Loan Contact Name:US BANK ELT BHEA
Loan Contact Street Address 1:425 WALNUT ST.
Loan Contact Street Address 2:
    
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Options for Federal Student Loan Borrowers

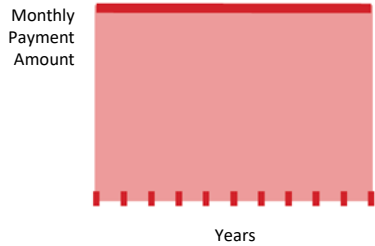
Income Driven Repayment Plans

&

Public Service Loan Forgiveness

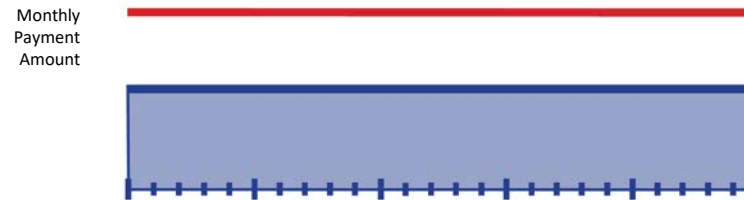
Multiple repayment options

STANDARD REPAYMENT PLAN



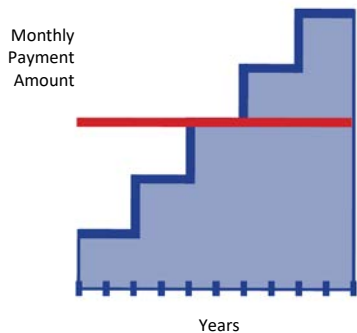
Pay the same amount every month for 10 years (or longer with [Consolidation Loans](#))

EXTENDED REPAYMENT PLAN



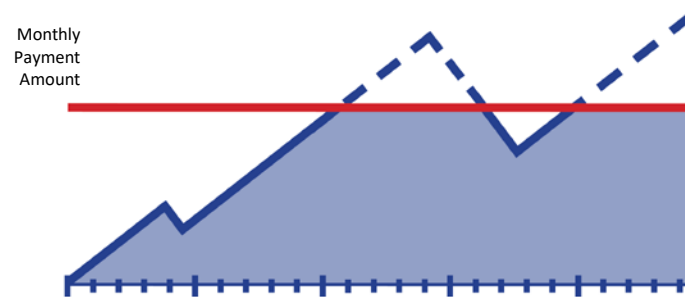
Pay the same amount every month for up to 25 years. Payments are lower than standard payments. Must owe more than \$30,000.

GRADUATED REPAYMENT PLAN



Payments start low and increase every two years. Loans are paid off within 10 years (or up to 30 years with Consolidation Loans)

INCOME-DRIVEN REPAYMENT PLAN



Monthly payments are tied to your income, not your loan balance. Payments can be as low as \$0.

Income-Driven Repayment (IDR) Plans

- IDR plans set monthly payments based on your discretionary income, rather than your outstanding loan balance. Unemployment or income shock could result in \$0 payments.
- Remaining balance is forgiven after 20 or 25 years
- Remaining balance is forgiven after 10 years under PSLF.
- **Types of IDR plans:**
 - Income-Contingent Repayment Plan (ICR)
 - Income-Based Repayment Plan (IBR)
 - Pay as you Earn (PAYE)
 - Revised Pay as you Earn (REPAYE)

Public Service Loan Forgiveness – the basics

Four Requirements:

1. Right type of loan – Direct Loans
2. Right type of repayment plan – IDR or standard
3. Right type of employment – work full-time in public service
4. Right number of payments – 120 payments

How to check if you're on track

- Submit an Employer Certification Form (ECF)
 - FedLoan Servicing processes ECF forms for all borrowers and you **may** have your student loan company switch to FedLoan, but not always
 - Borrowers should submit an ECF annually and every time they change employers

Options for Private Student Loan Borrowers

Multistate agreement for relief (private and commercial FFEL)

- CA, CO, CT, DC, IL, MA, NJ, NY, VT, VA, WA\
- 90 days of forbearance
- Waiving late payment fees
- No negative credit reporting
- Ceasing debt collection lawsuits for 90 days

- Aspire Resources, Inc.
- College Ave
- Earnest Operations
- Edfinancial
- Kentucky HESLC
- Lendkey Technologies, Inc.
- MOHELA
- Navient
- Nelnet
- SoFi Lending Corp.
- Tuition Options
- United Guaranty Services, Inc.
- Upstart Network, Inc.
- UHEAA
- VSAC

Private student loan payment relief

- **Alternative repayment options**
 - Interest-only payments
 - Economic hardship
 - Often only temporary payment relief
 - Confirm how your payments will be reported to credit bureaus
- **Partial payment instructions**
- **If you're denied an alternative repayment plan, ask why**

How do I get out of default on a federal or private student loan?

What happens if your federal student loans default?

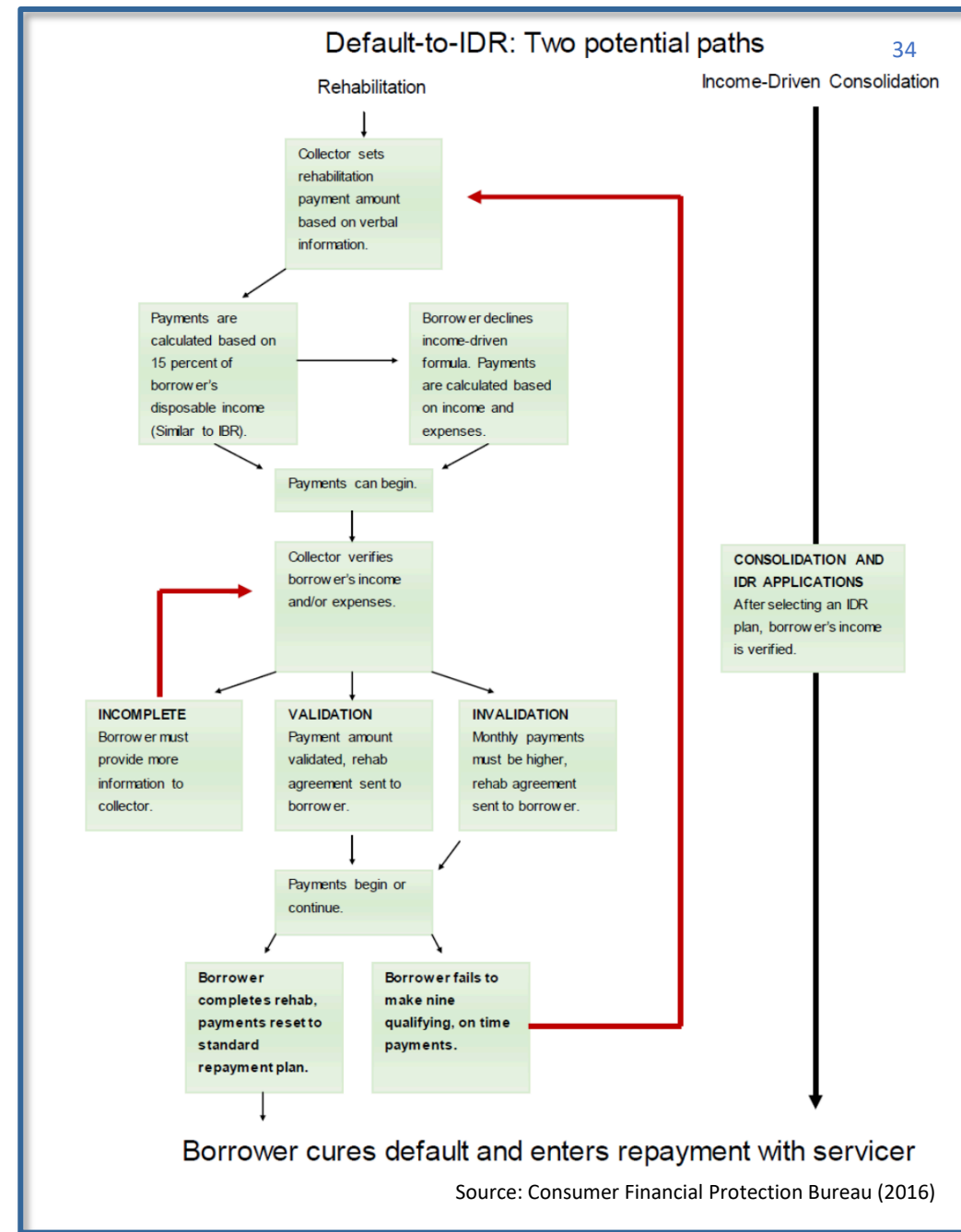
- Wage garnishment
- Social Security benefits offset
- Tax refunds offset
- Credit reporting

Beginning [October 1, 2020](#), borrowers in default will be subject to these collection practices

Getting out of default on a federal student loan

- **Consolidate “out of” default**
 - Must have eligible loan
 - Must enroll in IDR
 - Cannot currently be in wage garnishment

- **Rehabilitation**
 - 9 payments based on income/expenses
 - As low as \$5 per month
 - Garnishment/offsets end after 5 payments
 - Fees (some can be waived)



Defaulted private student loans

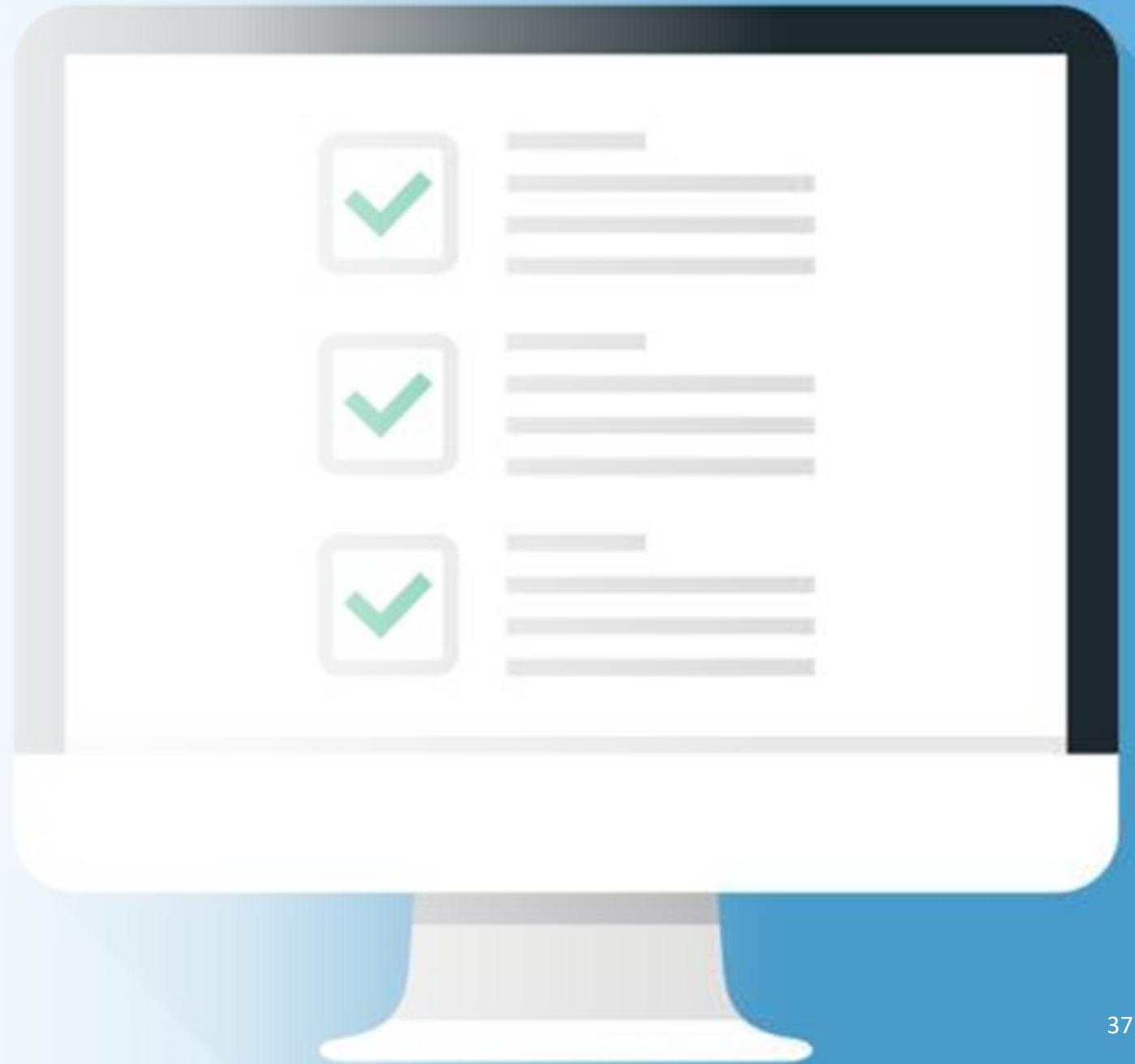
- **Defaulted private student loan**
 - Negotiate with your collector
 - Offer a monthly payment or lump sum amount
 - Get the settlement in writing
 - Confirm how it will be reported to credit bureaus
- **Statute of limitations on collections**

How to get in touch with your student loan servicer

Servicer	Call Center	Email	Social Media
Cornerstone	1-800-663-1662	CSOmb@mycornerstoneloan.org	@CornerStoneLoan
FedLoan Servicing	1-800-699-2908	Escalated@myfedloan.org	@PHEEAaid
Granite State	1-888-556-0022	dlcustomerservice@gsmr.org	@NHHEAF
Great Lakes	1-800-236-4300	greatlakesservicingombudsman@glhec.org	@MyGreatLakes
EdFinancial/HESC	1-855-337-6884	CustomerResolutionsUnit@edfinancial.com	@Edfinancial
MOHELA	1-888-866-4352	gwendolyna@mohela.com	@MOHELA
Navient	1-800-722-1300	advocate@Navient.com	@Navient
Nelnet	1-888-486-4722	nelnetcustomersolutions@nelnet.net	@Nelnet
OSLA	1-866-264-9762	DLcustserv@osla.org	FB: @OklahomaStudentLoanAuthority
Heartland/ECSI	1-866-313-3797	Live Chat	@HeartlandHPY



Poll



About Summer

Summer's mission is to improve borrowers' financial health by **reducing their student debt burden**.

We **simplify** the student loan repayment process and **maximize savings** for all borrowers.

We've partnered with AFSCME to help you **manage your student debt today**.

Summer



Reminders

Coronavirus Aid, Relief, and Economic Security

[\(CARES\) Act](#) is temporary federal legislation for economic relief but it does not cover every type of student loan.

Advantages of CARES Act	Things to keep in mind
<ul style="list-style-type: none">✔ Applies student loan relief retroactively from 3/13 to 9/30✔ Interest rates on eligible loans are set to 0% until 9/30✔ Auto-debits should be suspended, and recertification deadlines for income-driven repayment (IDR) may be extended.✔ If you're already eligible, the months of March through September will count toward Public Service Loan Forgiveness (PSLF) and IDR even if you don't make payments	<ul style="list-style-type: none">⊖ Any payments you make for eligible loans will go to outstanding interest first, and then to principal.⊖ Some FFEL, Perkins, Parent PLUS and Private loans are NOT covered and require action⊖ Suspended payments <i>should</i> be reported as on-time monthly payments for your credit score... but this has not always been the case.

Your loans and the CARES Act



If you're working toward **Public Service Loan Forgiveness**

If you qualify, you're all set!



**Make sure your loans and
repayment plan qualify**



**You don't need to make payments
until September**



**Continue to submit employment
certification forms**

If your income has
been reduced and
your loans qualify

You don't need to make payments



Payments won't be due and
interest won't accrue on your loans



You can enroll in income-driven
repayment to lock in a lower
monthly payment once payments
resume

If your income
has been reduced
and **your loans don't
qualify**

You still have options



Request a forbearance or a
deferment from your loan servicer



You can consolidate your loans
(change the type) so they qualify



Enroll in income-driven repayment
to lock in a lower monthly payment
once payments resume

If you have **Parent PLUS** loans in your name

You can consolidate to qualify



They *may* qualify for CARES Act benefits - some do and some don't



You can consolidate them into Direct loans so they're eligible for IDR and PSLF



The monthly payment and forgiveness will depend on *your* income and employment

Is consolidating right for me?

Consolidating your loans means combining them into a new Direct Consolidation loan. **Summer's smart consolidation and IDR tool** can do the hard work for you.

Advantages of consolidation	Things to keep in mind
<ul style="list-style-type: none">✓ New loan will be eligible for CARES Act benefits✓ New loans will be eligible for PSLF✓ New loan will be eligible for more IDR plans, and a potentially lower monthly payment✓ Multiple loans will be combined into one payment	<ul style="list-style-type: none">⊖ Outstanding interest will capitalize⊖ Interest rate will go up slightly (nearest eighth of a percent)⊖ If you're working toward IDR forgiveness, you will lose payments you've made⊖ Can take several months to process

If your loans are in default

Getting out of default



If you're in the process of loan rehabilitation, these months will count toward your payments.



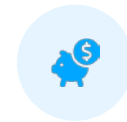
If you're not, we'd recommend starting the process of getting your loans out of default.



Once your loans are out of default, you can enroll in income-driven repayment for lower payments

If your income is stable and you want to make payments

You have several options



You can direct your savings to other financial priorities



You can contact your loan servicer if you want to continue to make payments



You can target payments toward loans with higher interest rates

If you have private student loans

Consider refinancing



Interest rates are at historic lows. You could lower your interest rate and your monthly payment



If you're already refinanced, you can also do it again for a lower rate



Many private lenders and state governments are also offering relief on payments

Getting started is easy!



Welcome, Ella!

Let's find out how much we can save you. Answering a few questions will help us customize our tools for your situation.

Let's get started


+ COVID-19 UPDATE

Our updated guidance reflects relevant changes to federal loan repayment as part of the recently passed CARES Act.

You'll tell us some basic information


Step 1 of 2

Tell us your situation:

 Where are you in your education?

I'm currently attending I graduated


I did not finish

 Which one of these describes how you feel about your monthly payments?

I can't make payments


I find it hard to make payments

I have no problem paying each month

 What is your expected household annual income, taxes?

Out of work right now? Enter '\$0':

If you recently had a meaningful change or total loss of income as a result of the COVID-19 crisis, please enter your updated income.

 How many people are in your family?

Include yourself, your spouse, and any children or family members that you support financially in this number.

Step 2 of 2

Tell us about your loans:

[What's the difference between federal and private loans?](#)

Federal loans

Approximately how much do you currently owe in federal loans?

Enter \$0 if you don't have any federal student loans.

Are any of your federal loans in default?

Yes No I'm not sure

Are you currently enrolled in an income-driven repayment (IDR) plan?

You would have needed to submit an application to your loan servicer to enroll in an IDR plan.

Yes No I'm not sure

Private loans

Approximately how much do you currently owe in private loans?

Enter \$0 if you don't have any private student loans.

And sync your loans all in one place

Summer
Saya Baker

My Federal Loans

Last synced Apr 23, 2019 [Manage your loans](#)

- Total Current Balance: **\$138,419**
Total across all federal loans
- Number of Loans: **8**
- Weighted Avg. Interest Rate: **5.825%**
Avg. interest rate across all federal loans

Nelnet

My PSLF Certifications [Loan Forgiveness Tracker](#)

Last updated Mar 03, 2020

Loan Type	PSLF Eligible?	Qualifying Payments
Direct Stafford Unsubsidized \$20,500 borrowed in Sep 2014	✓ Eligible	12 Qualifying Payments, 108 remaining
Direct Stafford Unsubsidized \$20,500 borrowed in Sep 2015	✓ Eligible	12 Qualifying Payments, 108 remaining
Direct Stafford Unsubsidized \$5,500 borrowed in Sep 2010	✓ Eligible	48 Qualifying Payments, 72 remaining
Direct Stafford Unsubsidized \$6,500 borrowed in Sep 2011	✓ Eligible	48 Qualifying Payments, 72 remaining
Direct Stafford Unsubsidized \$7,500 borrowed in Sep 2012	✓ Eligible	48 Qualifying Payments, 72 remaining
Direct Stafford Unsubsidized \$7,500 borrowed in Sep 2013	✓ Eligible	48 Qualifying Payments, 72 remaining

Summer provides personalized next steps

Summer recommends

Based on your situation, last updated May 18, 2020. [Update](#)

+ COVID-19 UPDATE

Payments are suspended on federally held loans through September 30, 2020—but there are still actions you can take now to optimize your loan payments.

INCOME-DRIVEN REPAYMENT

Est. monthly payment after Sept 30, 2020: **\$261**

Enroll in an income-driven repayment (IDR) plan

Pay based on your income. Sync your loans to see which plan is best for you.

+ Enrolling now could help secure lower monthly payments once payments resume. We'll also confirm whether your loans are eligible for the payment suspension.

[Continue](#)

PUBLIC SERVICE LOAN FORGIVENESS

Certify your employment for Public Service Loan Forgiveness (PSLF)

You could have your federal debt forgiven. Let's see if your employment qualifies.

+ Great news! Borrowers gain monthly credit toward PSLF even if their payments are suspended under the CARES Act. Don't delay—certify to take advantage of this free credit.

[Learn More](#)

[? Help](#)

Help with many federal and private loan programs

The screenshot shows the Summer website's interface for the Income-Driven Repayment (IDR) tool. On the left is a blue sidebar with navigation options: My Plan, My Federal Loans, Income-Driven Repayment (highlighted), Public Service Loan Forgiveness, Forgiveness Finder, Refinancing, and Resource Center. At the bottom of the sidebar, the user's name 'Ella Crivello' and a 'Logout' button are visible.

The main content area features a 'COVID-19 UPDATE' banner at the top, stating that payments and interest are suspended on federally held student loans through September 30, 2020, and that enrolling in IDR can help secure lower monthly payments. Below this is a section titled 'Let's find the right plan for you' with an icon of a document and a magnifying glass. The text explains that IDR is a free federal program that ties monthly payments to income and offers to help select the best plan and submit a free application.

The core of the interface is a comparison of two plans:

Current plan	Recommended plan
Total forgiveness amount	Total forgiveness amount
\$0	\$ [wavy line]
Monthly payment	Monthly payment
\$ [wavy line]	\$ [wavy line]
<input type="radio"/> Remain in this plan	<input checked="" type="radio"/> Select this plan

Below the comparison are three icons with corresponding text: a wallet icon for 'Pay less each month', a smiley face icon for 'Reduce your risk of defaulting', and a shield icon for 'Maximize loan forgiveness'. A large blue 'Continue' button is centered below these options. At the bottom, there are two links: 'I'm already enrolled in income-driven repayment' and 'My loans are in default'. A 'Help' button is located in the bottom right corner.

Easily compare your options before moving forward

Your current plan: Standard

\$511

First Monthly Payment

\$61,315

Total Amount Paid

If this still looks like the best option, there's no need to proceed with your application.

Switch to the PAYE Plan

\$136

First Monthly Payment

\$46,710

Total Amount Paid

Switch to this plan

Summer's experts review each application

REQ: FIELDS LEFT 5

(unless I request another amount below or I decline the forbearance), to help me move from IBR to the new income-driven plan I requested.

I request a one-month reduced payment forbearance in the amount of: _____ (must be at least \$5).

I understand that:

- If I do not provide my loan holder with this completed form and any other required documentation, I will not be placed on the plan that I requested or my request for recertification or recalculation will not be processed.
- I may choose a different repayment plan for any loans that are not eligible for income-driven repayment.
- If I requested a reduced-payment forbearance of less than \$5 above, my loan holder will grant my forbearance request in the amount of \$5.
- If I am reducing the \$5 repayment amount, I will be placed on a different plan.
- If I am on my current plan, I will be placed on my current plan.
- If I am on a plan that is not an income-driven plan, I will be placed on my current plan.
- If I am on a plan that is not an income-driven plan, I will be placed on my current plan.
- My loan holder will grant my forbearance request in the amount of \$5.

I authorize _____ to contact me regarding my loan. I understand this is a legal representation of my signature.

I certify that _____ is correct to the best of my knowledge.

SECTION 7: WHERE TO SEND THE COMPLETED FORM
Return the completed form and any documentation to: _____
(If no address is shown, return to your loan holder.)



We've received your application!

Here's what happens next:

- ✓ Our team will double-check your paperwork.
- ✓ We'll send it to your servicers for approval.
- ✓ In 4-8 weeks, your servicers will send you confirmation of your new monthly payment amount.

Keep paying your current amount until you've heard from your servicers.

Questions? Start a [chat](#) or email us at support@meetsummer.org

AFSCME MEMBER RESOURCES

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[MEMBER RESOURCES](#)

Resources

Take Action

Member Stories

In Memoriam



RESOURCES



QA

A crowd of people is gathered outdoors, holding up numerous green signs with the word 'AFSCME' written vertically in white capital letters. In the background, the white dome of the U.S. Capitol building is visible under a bright blue sky with scattered white clouds. The scene is brightly lit, suggesting a sunny day.

Thank you

If you have any other questions, please contact us at afscmestudentdebt@afscme.org

