



UNIVERSITY OF GEORGIA
EXTENSION

COVID-19 and Student Loans

Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, federal student loan payments are suspended through September 30, 2020.

Payments will not be due and interest will not accrue during this time. You do not need to do anything to receive this suspension of payments. Your loan servicer will communicate with you when payments are ceasing and when they will resume.

Which loans are affected?

All federal loans (direct loans and some Federal Family Education Loans, or FFEL Loans) are included in the suspension. Not included in this legislation are Perkins Loans, FFEL Loans held by banks or commercial agencies, and all other private loans.

What if I am on a payment plan?

Each month payment is suspended will still count toward any payment plans or rehabilitation programs, including the Public Service Loan Forgiveness program.

What should I do with my payment dollars instead?

First, prioritize expenses and make sure you're able to cover all necessities. Next, work toward building an emergency fund that can cover three to six months of expenses. Finally, send extra payments to high interest debt, such as credit card debt.

Will suspending payments affect my credit score?

During the suspension of payments, no negative information will be reported on your credit report regarding your student loans. Your credit report will look as if you are making regular payments.

FOR MORE INFORMATION, CONTACT YOUR LOAN SERVICER.

Sources: Sec. 3513 of the CARES Act and the National Consumer Law Center's "COVID-19 & Consumer Protections"

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