Thank you for joining us for today’s webinar:

The COVID19 Crisis and Student Loans: A Webinar Event for Borrowers and Practitioners

The webinar will begin promptly at 10 AM CT
The COVID19 Crisis and Student Loans: A Webinar Event for Borrowers and Practitioners

June 9, 2020
10:00 am – 11:30 am CT
Brought to you by:
Center for Financial Security
at the University of Wisconsin-Madison &
The Wisconsin Coalition on Student Debt
Financial Resources during COVID-19 Crisis: A Webinar Event for Wisconsin Practitioners & Educators

- Welcome
- Presentations:
  - Welcome and Introduction to WCSD
  - Real World Stories and Impacts on Borrowers
  - COVID19 and Student Loans 101
  - Student Loan Scams: How to Identify and Report
  - Where Borrowers Should Turn
- Q & A
- Sign off
Our Presenters

Connie Hutchison
Executive Secretary
State of Wisconsin Higher Educational Aids Board (HEAB)

Brendan Shaughnessy
Manager of Call Center Operations
Ascendium Education Solutions Inc.

Beth Erickson
Vice President of Repayment Solutions
Ascendium Education Solutions Inc.

Benjamin Lee
Associate Counsel
Ascendium Education Group

Lara Sutherlin
Administrator
Division of Trade and Consumer Protection
Department of Agriculture, Trade, and Consumer Protection
The Wisconsin Coalition on Student Debt is a nonprofit organization representing a range of concerned organizations and stakeholders who seek to increase clarity around the key issues of student debt, college affordability, and loan repayment.

As a nonpartisan group, the Coalition is not an advocacy organization. Instead, we raise awareness of policy insights and promote outreach that improves the borrowing and repayment experience for Wisconsin residents with the goal of improved financial outcomes.

Website: debtsmarts.org
Email: WiCoalitionStudentDebt@gmail.com
Subscribe to our newsletter for webinar and convening events
Ascendium Education Solutions COVID-19 Outreach Efforts
Ascendium’s COVID-19 Outreach

• Our Repayment Support Division consists of a team of 20 highly experienced Success Coaches.

• Our post-CARES Act outreach began on behalf of our partnering colleges and universities in early April, once we had our call centers transitioned to a work from home setting.

• Our primary goals are to reach out to students to make them aware of the CARES Act and how it will impact their loans, and to answer any questions that the students may have about their loans.
Who are the students we are reaching out to during the CARES Suspension Period?

- Grace Period
- Previously Past Due
As of May 20th, 39.3% have been students from our partnering Wisconsin schools.
What We Are Hearing From the Front Lines:

- Unemployment
- Underemployment
- Hardship
- Concerns
- Relief
- Suspension
- Joy
- Support
- CARES ACT
- Questions
- Grace
- Difficulty
- Suspension
- Appreciation
- Repayment
- Servicer Contact
Testimonials From Our Wisconsin Students
“Lauren is unemployed and didn't know how she was going to make her student loan payments. After I shared information on the CARES Act, she was happy and relieved. Lauren had some great questions about repayment plan options that are available once the suspension ends. At the end of our call, she sounded confident in knowing that she'll be able to choose the right plan for her situation and was relieved that she can call us back for assistance whenever she needs help.”
“Ben shared what a hard time he’s having finding a job due to the pandemic. He’s very grateful about the benefit of the CARES Act, but was afraid he may need help beyond 9/30/2020. We discussed lower payment options such as Graduated, Extended Graduated, and IDR repayment options. He said he would keep in contact and ask for help. He went on to thank me and said that a huge weight had been lifted off his shoulders.”
“Dorie is a healthcare worker who admitted to being super stressed amidst the pandemic. She just happened to have taken the day off on the morning we called and thought it was fate because one of the things on her "to do" list was to get things squared away with her loan payments. I told her about the CARES Act and current payment suspension. Dorie was very thankful knowing this was one less thing she had to worry about and could go back to focusing on her patients.”
“Taylor recently lost her job due to the pandemic and is unsure how long it will take to find another. After telling her about the CARES Act, she said she was grateful for the news. She will call us in October when the suspension period ends. At that time we will help her make arrangements for a repayment plan that fits her employment situation.”
Testimonials From Our Wisconsin Students: Sarah

“Sarah lost her job due to the Coronavirus and recently filed for unemployment. She can no longer afford her student loan payment and was so relieved to hear about the CARES Act. She wants to go back to school and doesn't want a delinquent loan hanging over her head.”
“Jena had been ill her last year of college. Although she’s ready to return to school, her delinquent loan was weighing heavy on her mind. She had not heard about the CARES Act nor how it would help level set her delinquency. She thanked me for the help, and said not having the delinquent loan meant one less thing to worry about. Now she can focus on re-enrolling.”
Student Loan Pandemic Relief

June 2 2020
Agenda

- Loan Programs, Loan Holders, & Loan Types
- Loan Relief: ED-Held Loans
- Loan Relief: Commercial FFEL
- Loan Relief: Institution-Held Perkins
- Loan Relief: Private Loans
- Resources
Loan Programs, Loan Holders, and Loan Types
# Loan Programs & Loan Holders

<table>
<thead>
<tr>
<th>Loan Program</th>
<th>Loan Holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Loans</td>
<td>Department of Education (ED)</td>
</tr>
<tr>
<td>Federal Family Education Loans (FFEL)</td>
<td>Typically lenders, but also ED</td>
</tr>
<tr>
<td>Perkins Loans</td>
<td>Typically schools, but also ED</td>
</tr>
<tr>
<td>Private Loans</td>
<td>Lenders</td>
</tr>
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</table>

Servicers handle loans for holders, so a single servicer like Navient or Nelnet might service all of these loan types.
Loan Types

There are many types of federal student loans that are found in multiple loan programs, for example:

- Subsidized
- Unsubsidized
- Stafford
- Parent Plus
- Graduate Plus
- Consolidation

Loan type does not generally impact the type of pandemic relief available
ED-Held Loan Relief
ED-Held Loan Relief: Non-Defaulted Borrowers

Relief comes via the CARES Act and April 3 ED guidance. For non-defaulted borrowers:

- Temporary Payment Suspension
- Temporary 0% Interest Rate
- Payment Application
- Credit Reporting Adjustments
- Status Reporting
- Borrower Notifications

Protections currently set to end September 30, 2020
ED-Held Loan Relief: Payment Suspension

Automatic, borrowers do not need to do anything.

Refund not automatic.

If borrowers have made payments since March 13, they can request a refund from their servicer.

Suspended payments will count towards any loan forgiveness program provided other requirements met.

- Public Service Loan Forgiveness
- IDR
- Others
ED-Held Loan Relief: 0% Interest Rate

INTEREST WILL NOT ACCRUE DURING THIS PERIOD

AUTOMATIC, BORROWER DOES NOT NEED TO DO ANYTHING
ED-Held Loan Relief: Payment Application

Payments made during this period will go straight to principal, provided any outstanding interest has been paid.

For borrowers in a financial position to do so, great time to chip away at principal.
ED-Held Loan Relief: Credit Reporting Adjustments

• Servicers should report suspended payments to credit bureaus as though borrower had made regularly scheduled payments
  • Should not report that loan is in forbearance or deferment
  • Should not negatively impact credit scores, but credit models are proprietary and opaque
ED will continue to report borrowers as in-school or as in-school deferment if borrowers were in school on the date the borrower’s attendance at the institution was interrupted by the pandemic national emergency.

ED will continue that reporting until the school reports the borrower as withdrawn.
ED-Held Loan Relief: Borrower Notifications

• Servicers required to send written notification explaining the suspension of monthly payments and 0% interest from March 13 to September 30
• First notices should have been sent mid April
• Explain that borrower can opt out, and continue to make payments
• Make sure borrower contact information is up to date with their servicer
• Beginning August 1, ED will send out at least six notices to borrowers notifying them of when regular repayment obligations will resume
  • Could be mail, email, or phone call
ED-Held Loan Relief: Defaulted Borrowers

Relief comes from the CARES Act and April 3 ED guidance.

- Temporary Halt in Collections
  - Includes wage garnishment and tax and SS offset
  - Payments taken between 3/13 – 9/30 will be automatically refunded
- Interest rate temporarily set to 0%
- Temporary qualification of missed rehabilitation payments
- Missed payments towards reestablishing Title IV eligibility do not reset progress
- Missed payments towards consolidation do not reset progress
- Benefits begin March 13, set to end September 30, 2020
Where to Find Federal Student Loans

https://nslds.ed.gov/npas/index.htm

Lists all federal student loans, and the contact information for the servicer for each loan

Borrowers can also call 800-433-3243, ED’s Federal Student Aid Information Center
Commercial FFEL Loan Relief
Commercial FFEL Relief: Non-Defaulted Borrowers

Relief comes from April 3 ED Guidance and pre-existing regulations. For non-defaulted borrowers:

- Lenders may temporarily suspend payments via forbearance
- Lenders may temporarily lower interest rates
- Status reporting continuation

If relief has not been provided automatically, borrowers need to contact their lender or servicer
Commercial FFEL Relief: Non-Defaulted Borrowers

Borrower should qualify for a disaster forbearance, and may qualify for some other forbearance or deferment

• Some servicers and lenders are applying disaster forbearances proactively to delinquent accounts

• Outstanding interest may capitalize at the conclusion of the disaster forbearance, and likely will at the conclusion of another forbearance or deferment

• Forbearance means delinquent accounts brought current

If relief has not already been provided automatically, borrowers need to contact their lender or servicer

In the absence of any relief, borrowers can still default!
Commercial FFEL Relief: Defaulted Borrowers

Relief comes from April 3 ED Guidance. For defaulted borrowers:

- Guaranty Agencies must temporarily halt all collections
  - This includes wage garnishment, tax offset, and ss offset
- Missed rehabilitation and satisfactory repayment agreement payments do not disrupt those resolutions

Benefits set to end September 30, 2020
Where to Find Federal Student Loans

https://nslds.ed.gov/npas/index.htm

Lists all federal student loans, and the contact information for the servicer for each loan

Borrowers can also call 800-433-3243, ED’s Federal Student Aid Information Center
## Consolidation

Borrowers can consolidate all types of federal loans into a Direct Consolidation Loan.

<table>
<thead>
<tr>
<th>Loans can be in default, but those get 18.5% added to balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate becomes weighted blend of underlying loans</td>
</tr>
<tr>
<td>Any outstanding interest capitalizes</td>
</tr>
<tr>
<td>Forgiveness counters reset</td>
</tr>
<tr>
<td>Can open access to Public Service Loan Forgiveness and more generous IDR plans</td>
</tr>
<tr>
<td>Interest rates on variable loans set to drop July 1</td>
</tr>
<tr>
<td>Free to consolidate, go to <a href="https://studentaid.gov/">https://studentaid.gov/</a> to learn more</td>
</tr>
</tbody>
</table>
Institution-held Perkins Loan Relief
Institution-held Perkins Loan Relief

Relief comes from [ED’s April 3 guidance](https://nslds.ed.gov/npas/index.htm)

Borrowers need to contact their servicer or institution

- May provide 0% interest rate, may stop required payments
- Institutions may grant forbearance for up to six months if borrower cannot make payments due to pandemic
  - Can request orally, after first three months, need docs

For defaulted borrowers, institution may stop collection activities until September 30.

- Payments missed under a rehabilitation plan or satisfactory repayment arrangement do not disrupt those resolutions
Private Loan Relief
Private Loan Relief

Borrowers need to reach out to their servicers if servicer hasn’t already made contact

• Many lenders offering benefits
  • For example: [https://www.mass.gov/doc/consumer-advisory-private-student-loan-relief-announced-for-massachusetts-borrowers/download](https://www.mass.gov/doc/consumer-advisory-private-student-loan-relief-announced-for-massachusetts-borrowers/download)
  • Options may include a three month forbearance, no late payment fees, no negative credit reporting

Borrowers can access free credit reports weekly through April 2021: [https://www.annualcreditreport.com/index.action](https://www.annualcreditreport.com/index.action)
Resources
Resources


ED’s Coronavirus page, with questions and answers: https://studentaid.gov/announcements-events/coronavirus

ED’s April announcement regarding pandemic relief: https://ifap.ed.gov/electronic-announcements/040320UPDATEDGuidanceInterruptStudyRelCOVID19

Truly free credit reports: https://www.annualcreditreport.com/index.action

My email: blee@ascendiumeducation.org
Thank You
COVID-19: Student Loan Scams

Division of Trade and Consumer Protection

WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION
DATCP.WI.GOV

June 2, 2020
STUDENT LOAN BROKERS

- These companies charge fees for loan management services.
- The services they offer are available for free from loan servicers.
- Some of these companies provide no services at all and simply take your money.
WAYS TO IDENTIFY FRAUDULENT STUDENT LOAN BROKERS

- Charges up front fees
- Claims to work with the U.S. Department of Education
- Request the borrower’s log in information to National Student Loan Data System
COVID RELATED STUDENT LOAN SCAMS

Scammers will try to convince borrowers they need to act in order to receive relief under the CARES Act.

Borrowers don’t need to do anything to get the promised relief.
STUDENT LOAN CALL BACK SCAM

PHONE SCAM
COMMON TAG LINES FOR SCAMS:

• “Act immediately to qualify for student loan forgiveness before the program is discontinued.”

• “You are now eligible to receive benefits from a recent law that has passed regarding federal student loans, including total forgiveness in some circumstances. Federal student loan programs may change. Please call within 30 days of receiving this notice.”

• “Enrollments are first come, first served.”

• “Student alerts: Your student loan is flagged for forgiveness pending verification. Call now!”
HOW TO AVOID A SCAM:

- Do not respond to calls or texts from unknown numbers, or any others that appear suspicious.
- Never share personal or financial information via email, text message, or over the phone.
- Be cautious if being pressured to share any information or make a payment immediately.
- Scammers often spoof phone numbers to trick consumers into answering or responding. Remember, government agencies will never call to ask for personal information or money.
- Do not click any links in a text message. If a friend sends you a text message with a suspicious link that seems out of character, call them to make sure they weren't hacked.
Where Students Can Turn for Further Information and Assistance
Where Can Students Go: Federal Loans

Federal Student Aid Information (including locating student loans and assistance with FAFSA)

studentaid.gov
Toll Free (800) 433-3243

Default Resolution Group/DCMS (locating collection agency information for defaulted Direct loans)

myeddebt.ed.gov
Toll Free (800) 621-3115
### Where Can Students Go: Federal Loans

<table>
<thead>
<tr>
<th>Servicer Name</th>
<th>Phone Number</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cornerstone</td>
<td>800-663-1662</td>
<td>mycornerstoneloan.org</td>
</tr>
<tr>
<td>FedLoan Servicing <em>(PHEAA)</em></td>
<td>800-699-2908</td>
<td>myfedloan.org</td>
</tr>
<tr>
<td>Granite State <em>(GMSR)</em></td>
<td>888-556-0022</td>
<td>gsmr.org</td>
</tr>
<tr>
<td>Great Lakes Educational Loan Servicing, Inc.</td>
<td>800-236-4300</td>
<td>mygreatlakes.org</td>
</tr>
<tr>
<td>HESC/Edfinancial</td>
<td>855-337-6884</td>
<td>edfinancial.com</td>
</tr>
<tr>
<td>MOHELA</td>
<td>888-866-4352</td>
<td>mohela.com</td>
</tr>
<tr>
<td>Navient</td>
<td>800-722-1300</td>
<td>navient.com</td>
</tr>
<tr>
<td>Nelnet</td>
<td>888-486-4722</td>
<td>nelnet.com</td>
</tr>
<tr>
<td>OSLA Servicing</td>
<td>866-264-9762</td>
<td>public.osla.org</td>
</tr>
<tr>
<td>ECSI</td>
<td>866-313-3797</td>
<td>efpls.ed.gov</td>
</tr>
<tr>
<td>Federal Student Aid Info <em>(FSA)</em></td>
<td>800-433-3243</td>
<td>studentaid.gov</td>
</tr>
</tbody>
</table>
## Where Can Students Go: FFEL Loans

<table>
<thead>
<tr>
<th>Servicer Name</th>
<th>Phone Number</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>AES</td>
<td>800-233-0557</td>
<td>aessuccess.org</td>
</tr>
<tr>
<td>Aspire</td>
<td>800-243-7552</td>
<td>aspireservicingcenter.com</td>
</tr>
<tr>
<td>ACPE (Alaska)</td>
<td>800-441-2962</td>
<td>acpe.alaska.gov</td>
</tr>
<tr>
<td>Edfinancial Services</td>
<td>800-337-6884</td>
<td>edfinancial.com</td>
</tr>
<tr>
<td>Higher Ed. Servicing (HESC)</td>
<td>800-366-4372</td>
<td>hescloans.com</td>
</tr>
<tr>
<td>Kentucky Higher Ed (KHESLC)</td>
<td>800-693-8220</td>
<td>kheslc.com</td>
</tr>
<tr>
<td>MOHELA</td>
<td>888-866-4352</td>
<td>mohela.com</td>
</tr>
<tr>
<td>Navient</td>
<td>888-272-5543</td>
<td>navient.com</td>
</tr>
<tr>
<td>Nelnet</td>
<td>888-486-4722</td>
<td>nelnet.com</td>
</tr>
<tr>
<td>OSLA</td>
<td>800-456-6752</td>
<td>public.osla.org</td>
</tr>
<tr>
<td>Utah Higher Ed (UHEAA)</td>
<td>877-336-7378</td>
<td>uheaa.org</td>
</tr>
<tr>
<td>Federal Student Aid Info (FSA)</td>
<td>800-433-3243</td>
<td>studentaid.gov</td>
</tr>
</tbody>
</table>
Where Can Students Go: **Private Loans**

**Private Student Loans**

Locating private student loans: [annualcreditreport.com](http://annualcreditreport.com)
The Wisconsin Coalition on Student Debt is excited to announce its partnership with Ascendium Education Solutions to create the Wisconsin Student Loan Help Hotline to help student loan borrowers during the pandemic.

(833)-589-0750
Thank You!
Financial Resources to Help Get Through COVID-19
A UW-Madison Division of Extension Resource Website

https://fyi.extension.wisc.edu/toughtimes/covid-19-financial-resources/
Thank you for joining the Center for Financial Security for today's webinar:

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Please remember that today’s webinar was recorded and will be posted on our website: cfs.wisc.edu within two business days.

Please contact Hallie Lienhardt with questions:
Hallie.lienhardt@wisc.edu
608-890-0229