

# College Students

## Overview

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides assistance to K-12 schools, teachers, higher education institutions, college students, and student loan borrowers. It creates an Education Stabilization Fund, which provides over \$14.25 billion for colleges and universities, and nearly \$3 billion more to help schools hardest hit by the COVID-19 pandemic. These funds can be used to defray expenses for institutions of higher education, such as lost revenue, technology costs associated with a transition to distance education, and grants to students for food, housing, course materials, technology, health care, and child care. For students who received federal financial aid, the CARES Act also pauses their student loan repayments, ensures that the pandemic does not impact their future ability to receive federal financial aid, and allows them to collect their work study payment during workplace closures.

## Federal Student Loan Payments

If you have a federal student loan (such as a Direct or FFEL loan, which are held by the U.S. Department of Education), and are in active repayment, all of your payments are cancelled through September 30, 2020, and you will not accumulate interest during that time. Students should receive notification that their loan payments will be put on hold by April 11, 2020.

Starting in August, the U.S. Department of Education will notify student loan borrowers to help inform them that their regular loan payments will resume at the end of September. These notices are intended to provide a transition period to help borrowers stay on track as regular loan payments begin again and to enroll in other relief options (such as income-driven repayment) at such time. For more information, visit: <https://studentaid.gov/announcements-events/coronavirus>.

## Student Loan Collections

You are also protected against forced collections on federal student loans, such as garnishment of wages, tax refunds, and Social Security benefits, as well as negative credit reporting during this time period.

## Student Loan Payments by Employers

If your employer provides a student loan repayment benefit, you can temporarily exclude up to \$5,250 in these payments from your income. The \$5,250 cap applies to both the new student loan repayment benefit as well as other educational assistance (e.g., tuition, fees, or books) provided by the employer under current law. The provision applies to any student loan payments made by an employer on behalf of an employee after March 27, 2020, and before January 1, 2021.

## **Financial Assistance for Students**

Colleges and universities have been given flexibility to provide emergency grant aid to assist undergraduate or graduate students with unexpected expenses and unmet financial need through the Supplemental Educational Opportunity Grants program. Reach out to your financial aid office for more information.

## **Continuing Education at Impacted Foreign Institutions**

Foreign institutions may offer distance education or enter into written arrangements with U.S. colleges and universities to allow U.S. students attending foreign institutions to continue receiving student loans for the duration of the COVID-19 declaration of disaster. If you are attending a foreign institution, distance education programs may be offered for the length of the disaster and the following payment period, to ensure that students can maintain their federal student loans and complete their coursework before reverting back to in-person instruction. You may also complete part of your coursework at a U.S. institution of higher education with which your foreign institution establishes an arrangement that is approved by the U.S. Department of Education. This allows you to maintain both your federal student loans and your primary enrollment in your degree program with your original foreign institution, but gives you flexibility to take some coursework back in the U.S. if you need to return home. However, the CARES Act only allows this flexibility with U.S. institutions, and not other foreign institutions that are not already eligible for the federal student loan program.

## **Federal Work Study**

College or university may issue payments as a lump sum or in payments similar to a paycheck to students who receive Federal Work Study and are unable to work due to work-place closures. Reach out to your financial aid office for more information.

## **Help for Students Who Cannot Complete the Semester**

If a student must drop out of school because of the COVID-19 pandemic:

- The term does not count against them for the amount of subsidized federal loans and Pell Grants they are eligible for;
- They do not have to return unused Federal Student Loans or Pell Grants;
- The portion of the student's loan taken out for the semester (or equivalent) is cancelled if a student withdrew due to COVID-19; and
- Grades will not impact students' ability to meet federal academic requirements to receive Pell Grants or student loans.

## **Additional Resources for Federal Financial Aid Questions**

## ***Federal Student Aid***

This federal agency can help answer questions about the type of loans a student holds and what kinds of relief are available.

- [FAQ's](#)
- [Help and Call Center](#)
- [Finding your loan servicer](#)
- Contact information: 1-800-433-3243

## ***Consumer Financial Protection Bureau***

This federal agency can review complaints and help to navigate financial products like student loans.

- Student Loan [Overview](#)
- [Submit a complaint](#)
- Contact information: 855-411-2372