

GradFin

New Temporary Policies Impacting Student Loan Borrowers

6-Month Suspension of all Federal student loan payments (interest and principal)

As part of landmark Coronavirus economic stimulus legislation, all federal student loan payments will be suspended until September 30, 2020. The legislation suspends interest and principal payments during this temporary period. Borrowers can still make payments on their loans during this period. Student loan servicers are taking action and making necessary changes on borrower's federal student loan accounts.

Tax Exclusion for Employer Student Loan Contributions

The Coronavirus economic stimulus bill provides a tax exclusion of \$5,250 per employee to cover student loan payments to employees. The provision applies to any student loan payment made on behalf of the employee by the employer before January 1, 2021. Borrowers should contact us at CustomerCare@GradFin.com if they would like assistance with this.

Forbearance Options at Private Banks

GradFin is currently working with our banking partners to provide responses to borrowers requesting forbearance relief if they have been impacted financially by the Coronavirus. Forbearance is a good option for borrowers and many of our banks provide 2+ months of forbearance (pausing payments) to help borrowers with financial hardship. Borrowers should contact us at CustomerCare@GradFin.com if they are in need of additional resources to work through their forbearance options.

Historically Low-Interest Rates

Clients that want to lock in a long term fixed interest rate on their student loans should check with GradFin to lock in these rates. Locking in a rate now provides certainty that the rate will be low and also can outweigh the advantages of any temporary interest relief for certain loans. GradFin Student Loan Consultants will continue to weigh your options and provide an analysis to help clients make a decision.



Learn more by scheduling a call with GradFin:

844-GRADFIN

or visit our website:

www.gradfin.com

