

Loan Repayment

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U.S. Department of Education

2025 NASFAA Conference

Agenda

- 01** Income-Driven Repayment (IDR) Plan Update
- 02** Borrower Outreach and Tools
- 03** Resuming Collections
- 04** Specialty Programs
- 05** Joint Consolidation Loan Separation Act
- 06** Perkins Loans

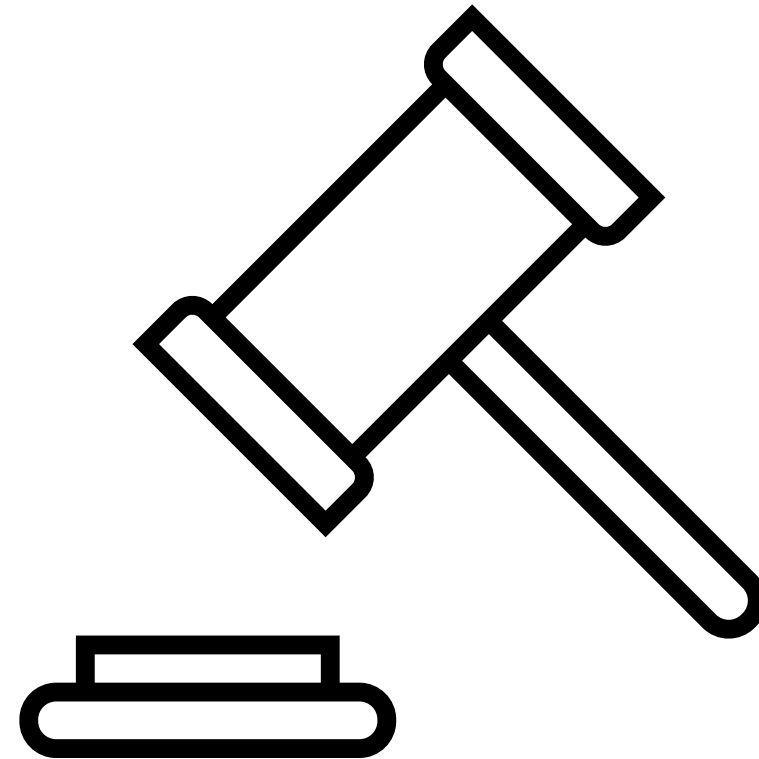


IDR Plan Update

IDR Plan Court Actions

A federal court has prevented the U.S. Department of Education (ED) from implementing the Saving on a Valuable Education (SAVE) Plan and other income-driven repayment (IDR) plans. ED is currently prohibited from using the SAVE formula to:

- Calculate monthly payments.
- Discharge loans after the required number payments under the SAVE, Pay As You Earn (PAYE), and Income-Contingent Repayment (ICR) Plans.



Impact of Injunction on the SAVE Plan



- The final rule of the “Improving Income Driven Repayment for the William D. Ford Federal Direct Loan Program and the Federal Family Education Loan (FFEL) Program” modified the REPAYE plan and renamed it as the SAVE Plan.
- The Feb. 18, 2025, injunction had the following impact to the SAVE Plan:
 - The Court has enjoined all provisions of the SAVE Plan
 - Includes ability to pay under SAVE if the borrower is already enrolled.
 - Prohibits new enrollments in SAVE.
 - Prohibits any forgiveness under SAVE.
 - The Court has enjoined all provisions of the precursor to the SAVE Plan, the REPAYE Plan.
- To comply with the injunction, any borrower who was enrolled in SAVE, applied for SAVE, or selected “Lowest Monthly Payment” who was placed in a general forbearance with a 0% interest rate after being placed in a 60-day processing forbearance.

Impact of Injunction to non-SAVE IDR Plans

The Feb. 18, 2025, injunction now means that:

- Borrowers who file their taxes as Married Filing Separate (MFS) or are married without access to their spouse's income must include their spouse in the family size for determining the monthly payment amount even though the spouse's income is not included in the formula.
- The only deferment that will count as progress towards forgiveness is the Economic Hardship Deferment. There are not any forbearances that will count as progress towards forgiveness.
- Forgiveness under ICR and PAYE is suspended. Forgiveness under IBR is temporarily suspended while we make adjustments to the deferments and forbearances that count as progress towards forgiveness.

Actions Taken to Comply with Injunction

| Month | Action |
|---------------|--|
| February 2025 | ED received a revised injunction that enjoined the entire final rule on “Improving Income Driven Repayment for the William D. Ford Federal Direct Loan Program and the Federal Family Education Loan (FFEL) Program”. The prior injunctions only enjoined parts of the final rule. |
| February 2025 | Temporarily removed both the online and the paper/pdf IDR application from StudentAid.gov to bring the application into compliance with the injunction. Servicers temporarily suspended processing of IDR applications while updating their systems to be compliant with the injunction. |
| March 2025 | ED launches an injunction-compliant version of the IDR application in both online and paper formats |
| April 2025 | Servicers begin processing IDR applications not impacted by the injunction |
| April 2025 | ED updates Loan Simulator to properly evaluate for eligibility and to properly calculate Monthly Payment Amounts using the injunction-compliant logic |
| April 2025 | ED launches an injunction-compliant version of the online IDR application that is fully integrated with FTI to calculate Monthly Payment Amounts in real-time for the borrower |
| April 2025 | ED temporarily removes the IDR payment counters, which are not injunction-compliant, from StudentAid.gov |
| May 2025 | Servicers' systems are updated and are processing all IDR applications with injunction-compliant logic |
| | |

Current State of “SAVE Borrowers”

| Repayment Plan Enrollment | Impact to Repayment | Forbearance Count Towards PSLF | Interest Accrual During Forbearance |
|--|--|----------------------------------|-------------------------------------|
| Borrowers enrolled in SAVE -AND- Have not applied for another IDR Plan | Payments are currently suspended, and the loan is in a general forbearance. These borrowers are permitted to apply for another IDR Plan. | No | No |
| Borrowers enrolled in SAVE who were required to recertify -AND- Have not applied for another IDR Plan | Payments are currently suspended, and the loan is in a general forbearance. The certification date was extended by one year to be no earlier than Feb. 1, 2026. These borrowers are permitted to apply for another IDR Plan. | No | No |
| Borrowers who selected SAVE on their IDR application or selected “lowest monthly payment” on their IDR application or have loans on SAVE plus another IDR Plan -AND- Have NOT yet applied for another IDR Plan. | Upon receipt of the application, payments are suspended as the borrower is placed in a one-time processing forbearance for up to 60 days and then a general forbearance. ED is no longer processing existing applications where the borrower selected SAVE or “lowest monthly payment” as the terms described in the application have changed. These borrowers are required to reapply selecting a specific IDR plan if they want to exit the forbearance and resume payments. | General – No Processing – Yes | General – No Processing - Yes |
| Borrowers who are enrolled in SAVE, apply for SAVE, select “lowest monthly payment” on their IDR application or borrowers with loans on SAVE and another IDR Plan -AND- Have applied for another IDR Plan | Upon receipt of the application, payments continue to be suspended as the borrower was in a general forbearance and is now placed in a one-time processing forbearance for up to 60 days followed by a general forbearance if the application is not processed within 60 days. | General – No Processing – Yes | General – No Processing - Yes |

Current State of “Non-SAVE Borrowers”

| Repayment Plan Enrollment | Impact to Repayment | Forbearance Count Towards PSLF | Interest Accrual During Forbearance |
|--|---|----------------------------------|-------------------------------------|
| Borrowers that are enrolled in IBR, PAYE, and ICR who were required to certify on or before March 17, 2025, and completed their certification | In repayment with a monthly payment amount based on their most recent certification. | N/A | N/A |
| <p>Borrowers that are enrolled in IBR, PAYE, and ICR who were required to recertify after March 17, 2025</p> <p>-OR-</p> <p>Borrowers that are enrolled in IBR, PAYE, and ICR who were required to certify on or before Mar. 17, 2025, but failed to recertify on or before Mar. 17, 2025</p> | <p>In repayment with a monthly payment amount based on the most recent certification prior to March 17, 2025. Recertification dates were pushed out by one year to be no earlier than February 1, 2026.</p> <p>Note that if a borrower was mistakenly moved to the non-hardship version of their IDR Plan, their prior monthly payment amount was reinstated.</p> | N/A | N/A |
| Borrowers that apply for IBR, PAYE, or ICR before or after March 17, 2025. | Upon receipt of the application, payments are suspended as the borrower is placed in a one-time processing forbearance for up to 60 days and then a general forbearance if the application is not processed within 60 days. Borrower is then placed on the eligible plan and begins payment. | General – No Processing - Yes | General – No Processing - Yes |
| Borrowers that are enrolled in non-IDR plans | In repayment with a monthly payment amount based on the applicable plan’s formula | NA | N/A |

* Borrowers that are required to certify on or before March 17, 2025, were required to submit the necessary paperwork no later than February 20, 2025. Automatic recertification was not available at that time but will be available for their next recertification date.

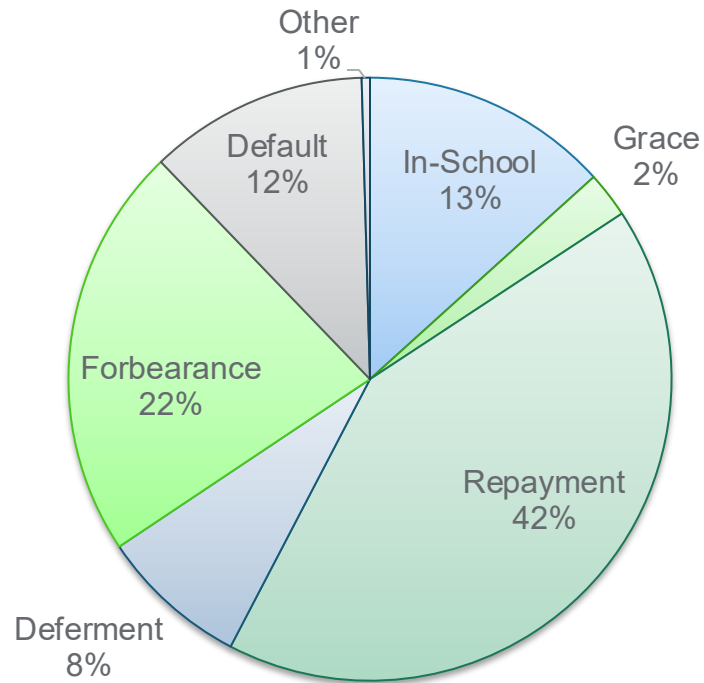
Borrower Outreach and Tools

Loan Portfolio Status

Status of the Federally-Serviced DL and FFELP portfolio as of March 2025.

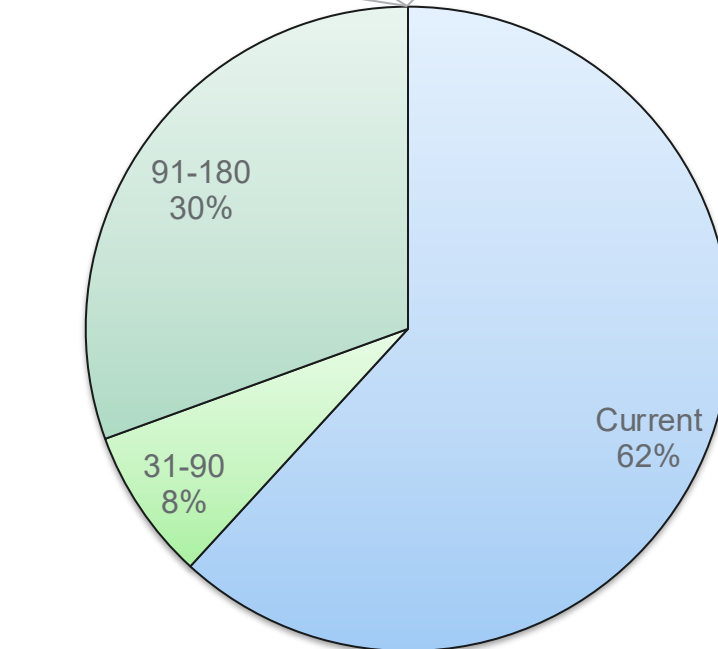
Sourced from the FSA Data Center.

Recipient Count by Loan Status



■ In-School ■ Grace ■ Repayment ■ Deferment
■ Forbearance ■ Default ■ Other

Repayment Break Out



■ Current ■ 31-90 ■ 91-180 ■ 181-270 ■ 271-360 ■ 360+

Consequences of Delinquency and Default

Days of Delinquency

Day 1

- The loan is delinquent on the day after the first missed payment

Day 90

- The loan servicer is required to report the delinquency to national credit bureaus

Day 270

- The loan is in technical default

Day 360

- Serious consequences of defaulting on the loan will take effect

Consequences of Delinquency and Default

| Days Delinquent | Borrower Impact | Resolution |
|-----------------|---|---|
| 1 Day | <ul style="list-style-type: none"> No significant impacts | <ul style="list-style-type: none"> Borrower can resolve delinquency by making a payment or requesting a deferment or forbearance |
| 90 Days | <ul style="list-style-type: none"> Delinquency reported to national credit bureaus | <ul style="list-style-type: none"> Borrower can resolve delinquency by making a payment or requesting a deferment or forbearance |
| 270 Days | <ul style="list-style-type: none"> Borrower is no longer eligible for additional <i>Title IV</i> aid Loss of eligibility for PSLF | <ul style="list-style-type: none"> Borrower can resolve delinquency by making a payment or requesting a deferment or forbearance |
| 360 Days | <ul style="list-style-type: none"> No longer eligible for deferments, forbearances, or to chose a repayment plan Loan's full unpaid balance, including principal and interest, is immediately due Default is reported to the national credit bureaus Loan is subject to Treasury Offset Program, which means that funds can be withheld from tax refunds and other federal benefits paid to the borrower Loan is subject to administrative wage garnishment, which means that funds can be withheld from a borrower's paycheck Borrower may be charged collection fees, attorney's fees, and other costs associated with the collection process | <ul style="list-style-type: none"> Default can only be resolved by rehabilitation, consolidation, or payment in full. |

Consequences of Delinquency and Default

Once defaulted (360 days), borrowers are limited in how they can remove themselves from default:

- Loan Rehabilitation
- Loan Consolidation
- Payment in Full

There are limitations and important details to consider for loan rehabilitation and loan consolidation. Visit **StudentAid.gov/end-default** to learn about both these options.

Loan Rehabilitation and Consolidation Comparison Chart

| Benefit Regained | Loan Rehabilitation | Loan Consolidation |
|---|---------------------|--------------------|
| Eligibility for Deferment | Yes | Yes |
| Eligibility for Forbearance | Yes | Yes |
| Choice of Repayment Plans | Yes | Yes |
| Eligibility for Loan Forgiveness Programs | Yes | Yes |
| Eligibility to Receive Federal Student Aid | Yes | Yes |
| Removal of the Record of Default From Your Credit History | Yes | No |
| Interest and Collection Costs Are Added | No | Yes |

Borrower Outreach by ED

- Beginning on April 23, 2025, ED initiated the first in a series of borrower email campaigns that will continue for multiple months:
 - Borrowers with loans in default
 - Borrowers who are at least 60 days delinquent but not yet defaulted
 - Borrowers in good standing
 - Borrowers currently in the SAVE forbearance
 - Borrowers who selected “Lowest Monthly Payment Amount” or “SAVE” on a pending IDR application

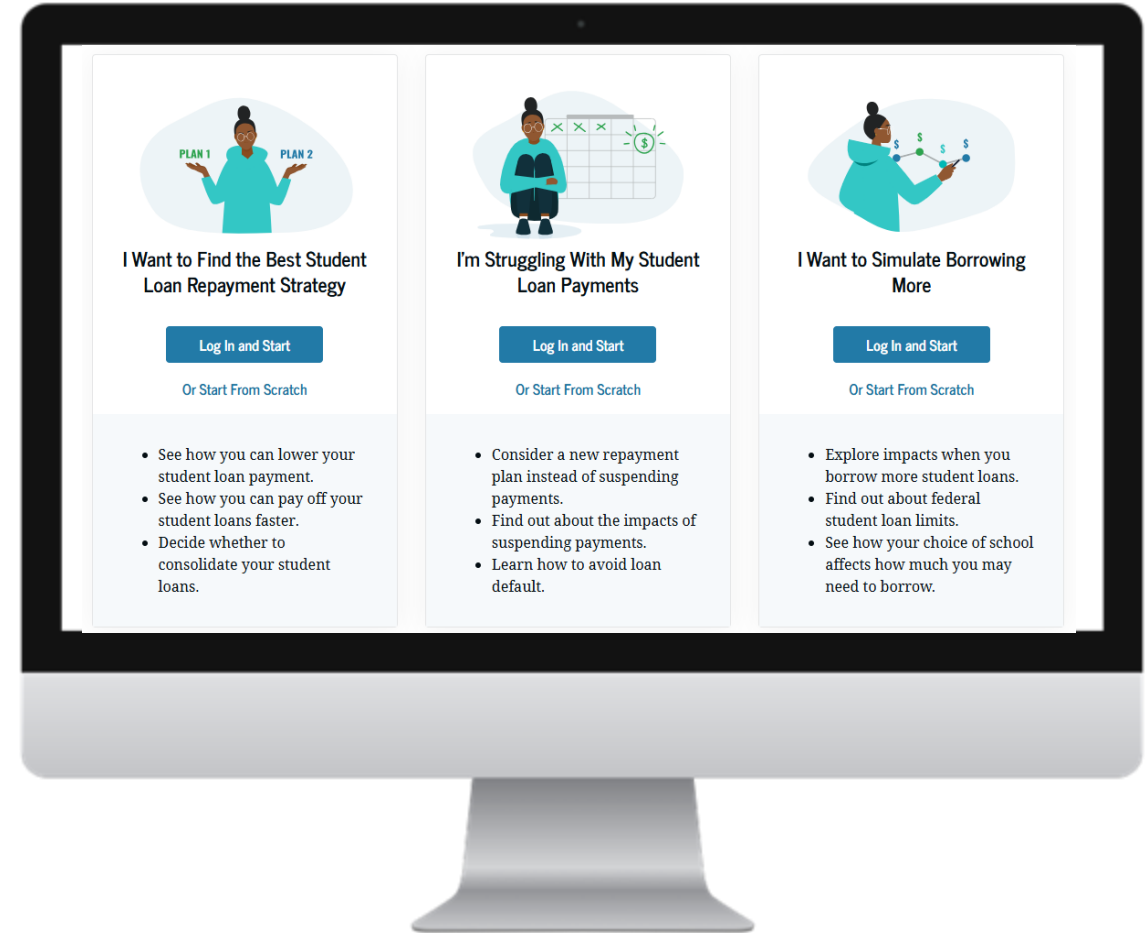
Borrower Outreach by Institutions

- The Secretary urges each participating institution to provide the following information to all borrowers who ceased to be enrolled at the institution since Jan. 1, 2020, and for whom they have contact information:
 - Remind the borrower that he or she is obligated to repay any federal student loans that have not been repaid and are not in deferment or forbearance;
 - Suggest that the borrower review information on StudentAid.gov about repayment options; and
 - Request that the borrower log into StudentAid.gov using their StudentAid.gov username and password to update their profile with current contact information and ensure that their loans are in good standing.
- The Department urges that this outreach be performed no later than June 30, 2025.

Borrower Tools

Loan Simulator

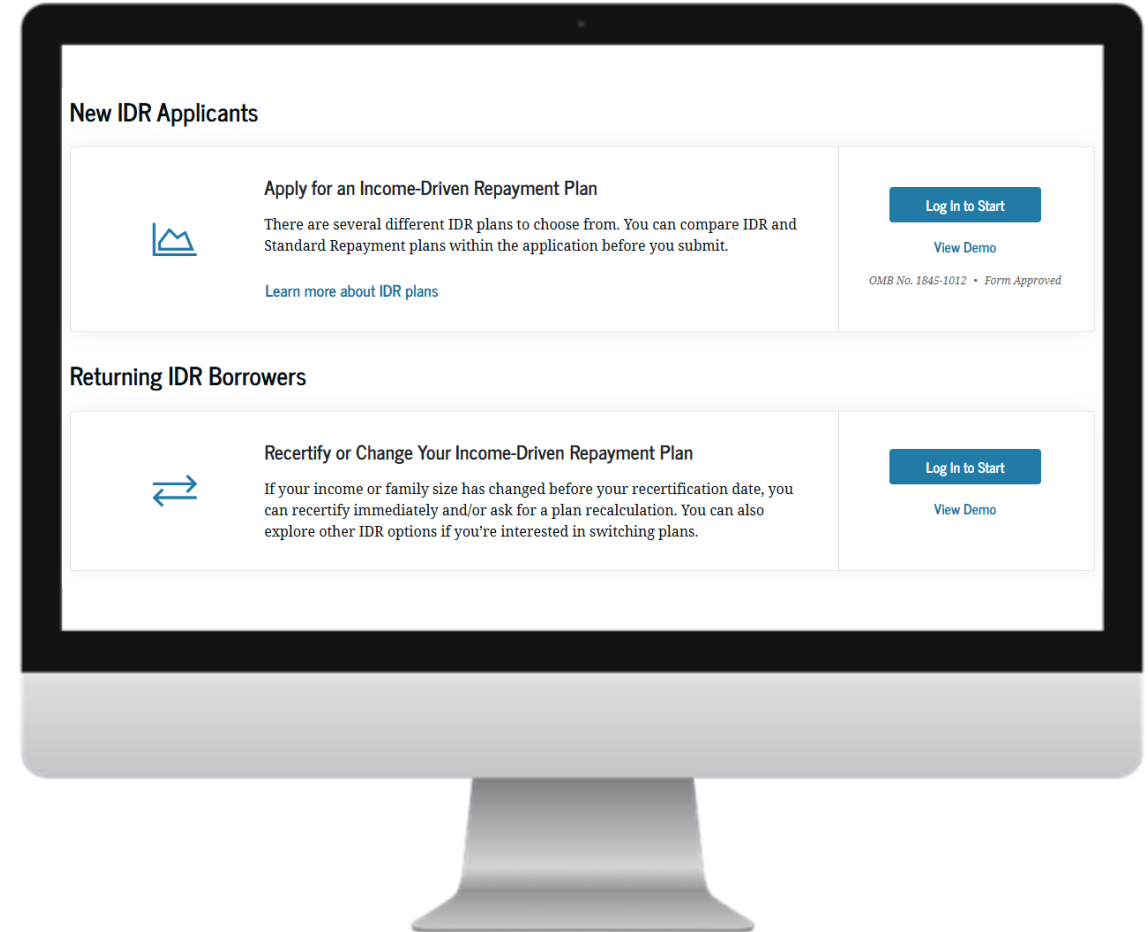
- Updated to accurately reflect repayment plan availability.
- Updated to accurately determine borrower eligibility for each repayment plan.
- Updated to accurately estimate monthly payment amounts for borrowers in certain tax filing situations.



Borrower Tools

IDR Application

- Updated to determine the borrower's eligibility for specific IDR Plans.
- Updated to use Federal Tax Information (FTI) to generate a monthly payment amount for Direct Loan borrowers.
- Back-end processes will be updated so that recertification is automatic for Direct Loan borrowers that provide consent.



Borrower Tools

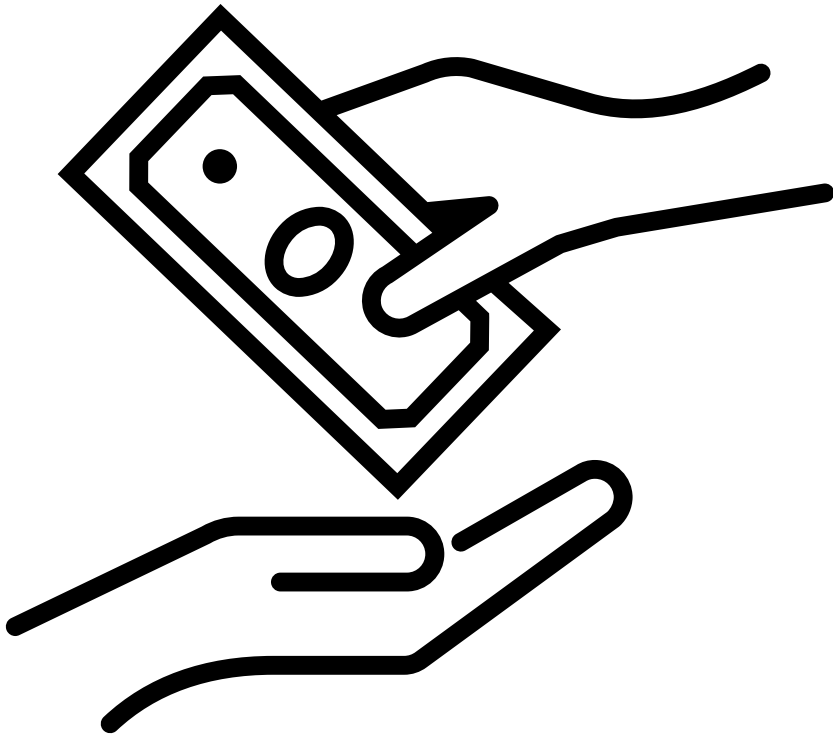
Aidan

- Aidan provides FSA customers (students, borrowers, and their families) with quick access to information about federal student aid.
- Aidan uses advanced technology to answer most common questions about federal student aid such as finding a borrower's current loan account balance, learning more about grants, or getting help contacting a student loan servicer.
- In March 2025, FSA improved Aidan's technology by leveraging artificial intelligence to improve Aidan's responses to customer questions.
- FSA has seen notable improvements on our customer service including a significant increase in Aidan's ability to resolve questions, so FSA customers do not have to reach out to a call center.



Resuming Collections

Resuming Involuntary Collections



On Monday, April 21, 2025, the Department announced that involuntary collections activity on the defaulted portfolio will resume:

- Treasury Offset Payments resumed on Monday, May 5, 2025
- Wage Garnishment is scheduled to resume in August 2025

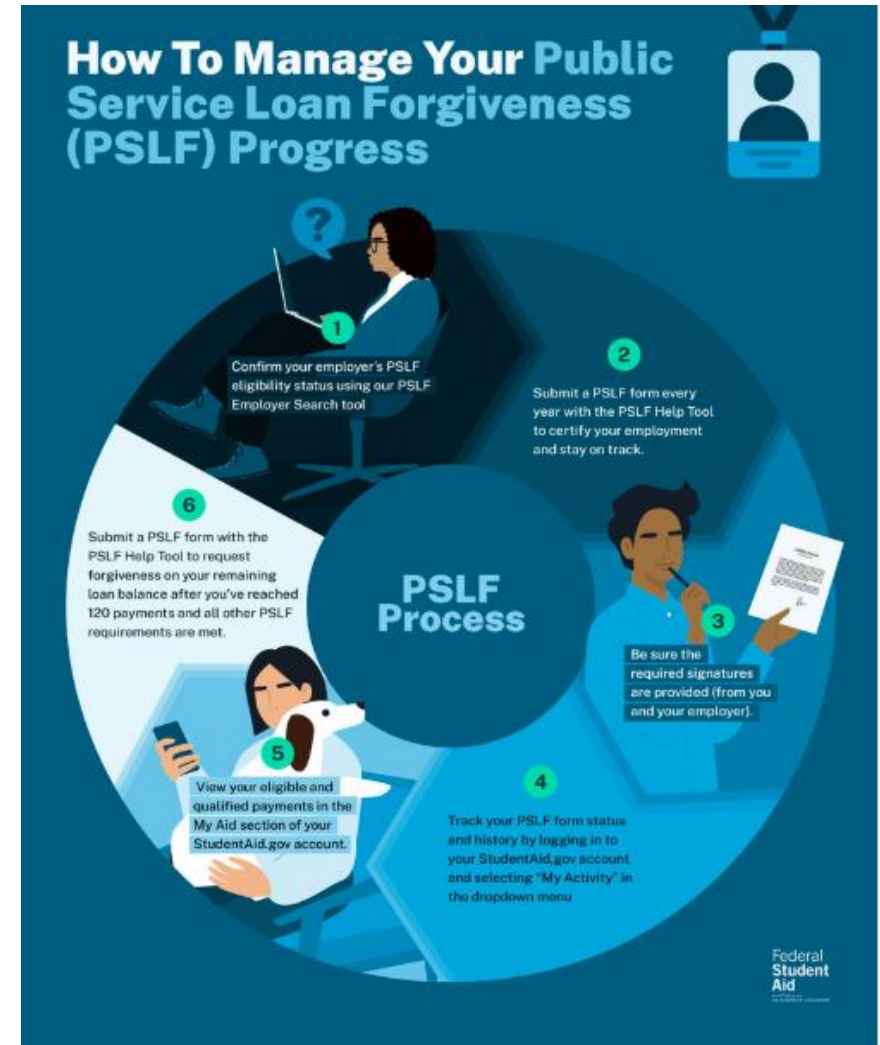
The Department also authorized guaranty agencies to begin involuntary collections activities on loans under the Federal Family Education Loan Program (FFELP).

Specialty Programs

Public Service Loan Forgiveness (PSLF)

As of July 1, 2024, the Department fully manages the PSLF program through StudentAid.gov

- With the updates to our systems and processes, borrowers can now manage their progress toward forgiveness under PSLF on StudentAid.gov from start to finish.
- This includes
 - Submitting a PSLF form,
 - Monitoring the status of a PSLF form on the My Activity section of the borrower's StudentAid.gov account,
 - Retrieving correspondence relating to the PSLF form, and
 - Accessing payment counts and certified employment on My Aid section of the borrower's StudentAid.gov account.



PSLF Status on My Activity

The borrower can view updates in the **Status Tracker** within **My Activity**. This page is organized into:

1. **Current form status** at the top of the page (a colored pill displays the status)
2. **Form Information** section, which provides an overview of the PSLF form submitted by the borrower
3. **Status Tracker**, which tells the borrower the current state of the form and any actions they may need to take
4. **Recommended Actions** that may help the borrower maximize their PSLF benefits (e.g. switching to an income-driven repayment plan)

PSLF Form

1 **Action Required** Have employer sign electronically

2 **Form Information**

| | | |
|------------------------------|----------------------------|-----------------------|
| Employer Name Peace Corps | Signature Method Manual | Employer Email N/A |
|------------------------------|----------------------------|-----------------------|

Show More ▾

3 **Status Tracker**

4 **You have 5 loans currently ineligible for PSLF**
[View Recommended Actions →](#)

More Resources

- [Apply for Loan Consolidation](#)
- [Apply for an Income-Driven Repayment Plan](#)
- [Explore Your Repayment Options](#)
- [Submit Another PSLF Form](#)
- [Learn About PSLF/TEPSLF](#)
- [Learn about the PSLF Waiver](#)

Created on
Jan 26 2023

PSLF Form Created
Completed on Jan 26 2023

We have received your PSLF form and will begin reviewing it shortly.

Jan 26 2023 PSLF form created via PSLF Help Tool (electronic signature).

Employer Eligibility Review
Completed on Jan 26 2023

Our system has automatically determined that your employer is eligible for PSLF. No manual review required!

Jan 26 2023 Employer eligibility review complete. Employer is pre-approved for PSLF.

Submit Your Signed Form

statusCenter.pslf.status.tracker.detail.manualCompleted

[Download Unsigned Form](#) OR Have employer sign electronically

How to submit your signed form:

| | |
|---------------|--|
| Direct Upload | Upload an electronic version of your manually signed form to the PSLF Servicer's Website [?] Please note, this process is slower than submitting an electronic form. |
| Mail | U.S. Department of Education/MOHELA 633 Spirit Drive Chesterfield, MO 63005-1243 |
| Fax | (866) 222-7060 |

Jan 26 2023 PSLF form Submitted for manual employer signature

PSLF Progress on My Aid

Borrowers are able to view the details of payment history by selecting **Payment History** at the top of the page.

Borrowers can view the following while on the payment history page:

- Loan Type
- Payment period
- Payment status
- Details

Note: The borrower's loan payment status will be one of the following:

- Employment not certified
- Ineligible
- Qualifying

| Loan Details Payment History Employment Certification | | | |
|--|----------------|----------------------------|------------------------------|
| PAYMENT ELIGIBILITY PSLF & TEPSLF PSLF Only ⓘ | | | |
| Filter | | | |
| 1-10 of 100 payments | | | |
| Loan | Payment Period | Payment Status | Details |
| 1 - DL Consolidation Subsidized Loan | 07/2022 | ○ Employment Not Certified | View Details |
| 2 - DL Direct Loan | 07/2022 | ○ Employment Not Certified | View Details |
| 3 - DL Consolidation Subsidized Loan | 07/2022 | ○ Employment Not Certified | View Details |
| 6 - DL Consolidation Subsidized Loan | 07/2022 | ○ Employment Not Certified | View Details |
| 7 - DL Consolidation Subsidized Loan | 07/2022 | ● Ineligible | View Details |
| 1 - DL Consolidation Subsidized Loan | 06/2022 | ● Ineligible | View Details |
| 2 - DL Direct Loan | 06/2022 | ● Ineligible | View Details |
| 3 - DL Consolidation Subsidized Loan | 06/2022 | ● Qualifying | View Details |
| 6 - DL Consolidation Subsidized Loan | 06/2022 | ● Qualifying | View Details |
| 7 - DL Consolidation Subsidized Loan | 06/2022 | ● Qualifying | View Details |
| < Previous 1 2 3 4 5 Next > | | | |

Total and Permanent Disability

The Department fully manages the TPD program on StudentAid.gov

- As of March 23, 2025, borrowers can submit applications and physicians can complete their portion of the application electronically.
- Institutions with a Perkins portfolio must adjust their SAIG services to include TPD.
- Institutions should send Perkins transfers to Nelnet.

If you get a Total and Permanent Disability (TPD) discharge, you won't have to repay the following loan types:

- ✓ William D. Ford Federal Direct Loan (Direct Loan) Program loans
- ✓ Federal Family Education Loan (FFEL) Program loans
- ✓ Federal Perkins Loans

If you received a TEACH Grant, a TPD discharge also relieves you of your TEACH Grant service obligation.



Federal
Student
Aid

Total and Permanent Disability

TPD Application Landing Page

- **Start Application:** Borrowers can start a new application, and view information related to the TPD program including information about the application process and what is required to apply.
- **View Previous Submission:** Links the borrower to My Activity once they are authenticated to view previous TPD application.
- **Designate a Representative:** Takes the borrower to a form on which they can designate a representative to help them complete a TPD discharge application.

The screenshot shows the Federal Student Aid website's TPD Discharge Application landing page. The page has a dark blue header with the Federal Student Aid logo and navigation links. The main content area is white with a dark blue sidebar on the right. The sidebar contains a 'Start Application' button. The main content area has a large section titled 'Apply for a TPD Discharge' with a description and two links: 'View TPD Requirements and Application Process' and 'View Previous Submissions'. Below this are three smaller sections: 'Who Should Complete This?', 'How Long Will It Take?', and 'What Do You Need?'. The 'What Do You Need?' section lists three requirements: U.S. Department of Veterans Affairs (VA) documentation, Social Security Administration (SSA) documentation, and an authorized medical professional's email address. At the bottom of the page is a dark blue footer with a link to 'Designate a Representative'.


An official website of the United States government.

Help Center Submit a Complaint English | Español

Federal Student Aid
U.S. DEPARTMENT OF EDUCATION

FAFSA® Form Loans and Grants Loan Repayment Loan Forgiveness


Total and Permanent Disability (TPD) Discharge Application

 **Apply for a TPD Discharge**


If you are totally and permanently disabled you may qualify for forgiveness of your federal student loans and/or Teacher Education Assistance for College and Higher Education (TEACH) Grants.

[View TPD Requirements and Application Process](#) | [View Previous Submissions](#)


[Start Application](#)

 **Who Should Complete This?**

Student loan borrowers who meet the criteria for being totally and permanently disabled, or their designated representatives.

 **How Long Will It Take?**

The application must be completed in a single session. Most people complete the application in 10 minutes or less.

 **What Do You Need?**

You'll need to provide one of the following:


- The U.S. Department of Veterans Affairs (VA) documentation,
- The Social Security Administration (SSA) documentation, or
- An authorized medical professional's email address

Need someone to help you fill out a TPD discharge application? [Designate a Representative](#)

Total and Permanent Disability

Next Steps


- After submitting their application, applicants will be able to review their next steps. This information will also be available via email.
- The next steps will include links to additional information such as the Help Center.
- All applicants will be able to access their application and track the status of their application in My Activity.
- The next steps will vary based on the application.



Success! Your TPD discharge application is being processed. We'll let you know if you have any more steps to complete.

Your application is being processed. In My Activity, you can view and track your TPD discharge application.

[View in My Activity](#)



Next Steps

1. Track the Status of Your Application

You can view and track the progress of your application on the [My Activity](#) page.

We'll let you know about the status and approval of your application using the communication preferences you set up in your [Account Settings](#).


Additional Information

[Learn About Total and Permanent Disability Discharge](#)
[Get Temporary Relief: Deferment and Forbearance](#)
[Visit Our Help Center](#)

Total and Permanent Disability

Next Steps

For applications where an applicant has selected an electronic signature, the next steps may include adding the medical professional's email address or notifying them that an email will be sent.




You're almost done! Your TPD discharge application is complete, but your medical professional's signature is required for submission.

A request for your medical professional to electronically sign your application has been sent to drjohanas@med.com.

Use the My Activity page to track your application, change signature methods, and download documents.

[View in My Activity](#)

**Next Steps**


- 1. Notify Your Medical Professional**

Tell your authorized medical professional to expect an email sent from DocuSign (dse_NA4@docuSign.net) on behalf of the Department of Education's office of Federal Student Aid.

Your medical professional has 60 days to electronically sign your application. If they do not electronically sign within 60 days, your application will convert to a manual submission, and you will have 30 days to print and obtain the medical professional's physical signature.
- 2. View and Track Your Application**

Once your authorized medical professional signs your application, we'll start to process it. You can view and track the progress of your application on the [My Activity](#) page.


We'll let you know about the status and approval of your application using the communication preferences you set up in your [Account Settings](#).



You're almost done! Your TPD discharge application is complete, but your medical professional's signature is required for submission.

Use the My Activity page to add your medical professional's email address to send an electronic signature request or choose another method to sign the form.

[View in My Activity](#)

**Next Steps**

- 1. Add Your Medical Professional's Email Address**

Reach out to your authorized medical professional's office to obtain their email address. Once you have it, add the email to your application in [My Activity](#).

Your medical professional has 60 days to electronically sign your application. If they do not electronically sign within 60 days, your application will convert to a manual submission, and you will have 30 days to print and obtain the medical professional's physical signature.
- 2. Notify Your Medical Professional**

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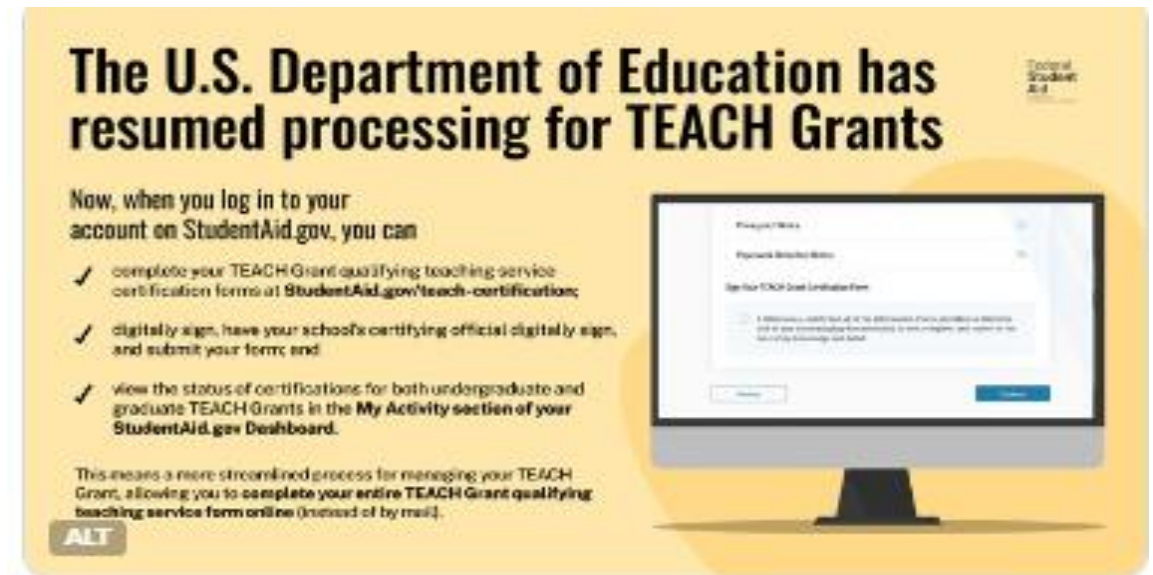
Once your medical professional signs your application, we'll start to process it. You can view and track the progress of your application on the [My Activity](#) page.

We'll let you know about the status and approval of your application using the communication preferences you set up in your [Account Settings](#).


TEACH Grants

The Department now fully manages the TEACH Grant program on StudentAid.gov

- Recipients can complete and sign their TEACH Grant Certification of Qualifying Teaching electronically.
- Chief Administrative Officers can complete their portion of the certification form electronically.
- Recipients can follow their progress towards fulfilling their obligation on StudentAid.gov.



TEACH Grants



Complete Your TEACH Grant Certification Form


You can certify your qualifying teaching service by filling out the TEACH Grant certification form. Select the "Log In To Start" button on the right to start filling out your form.

[View Previous Submissions](#)

Log In To Start

OMB No. 1845-0158 • Form Approved

UNAUTHENTICATED VIEW



Complete Your TEACH Grant Certification Form

You can certify your qualifying teaching service by filling out the TEACH Grant certification form. Select the "Start" button on the right to start filling out your form.

[View Previous Submissions](#)

Start

OMB No. 1845-0158 • Form Approved

AUTHENTICATED VIEW

The recipient must be a full-match authenticated user with TEACH Grants to access the flow.

If the recipient does not have TEACH Grants, they will be shown that they are not able to access the flow.



A demo for this flow will not be available.

Joint Consolidation Loan Separation Act

Joint Consolidation Loan Separation Act

The Joint Consolidation Loan Separation Act:

- Allows joint consolidation loan (JCL) borrowers to separate their JCL and consolidate individually into Direct Consolidation Loans.
- Two types of applications:
 - Joint application requires both co-borrowers to apply to each receive individual Direct Consolidation Loans.
 - Separate application only requires one co-borrower to apply but must be due to experiencing domestic violence or economic abuse by the other co-borrower or cannot reasonably access the other co-borrower's loan information. Only the borrower that applies receives a new Direct Consolidation Loan.

Joint Consolidation Loan Separation Act

Separation Amounts and Interest Rate:

- Each co-borrower's portion of the JCL will be equal to the current outstanding balance multiplied by the percentage originally attributed to each individual borrower with one exception:
 - Joint applicants can submit a divorce decree, court order, or separation agreement outlining a non-proportional amount.
 - Separate applications are always a percentage originally attributed to each borrower.
- The interest rate of the new Direct Consolidation Loan will be the same as the JCL as of the day before the resulting Direct Consolidation Loan was made.

Joint Consolidation Loan Separation Act

Application & Processing Timeline:

| Date | Action |
|-------------------------|--|
| Oct. 11, 2022 | The Joint Consolidation Loan Separation Act was signed into law. |
| Oct. 31, 2024 | The Combined Application to Separate a Joint Consolidation Loan and a Direct Consolidation Loan Promissory Note became available. |
| Dec. 31, 2024 | Application processing began. |
| June 30, 2025 | JCL borrowers have until June 30, 2025, to apply for separation to receive: <ul style="list-style-type: none"> • The payment count adjustment if they had a FFEL JCL and did not receive this benefit already; and • The Limited PSLF Waiver if they performed the required steps by October 31, 2022. |
| July 1, 2025 and beyond | Borrowers can submit applications after June 30, 2025, but will not be eligible for the payment count adjustment or the Limited PSLF Waiver. |

Perkins Loans

Perkins Loan Reminders

Reminders for Institutions with a Perkins Loan portfolio

- Accounting Reminders
- Ensure reporting to NSLDS
- Ensure NSLDS matches the data submitted for assignment
- Conduct oversight of the work performed by a third-party Perkins Loan Servicer

Perkins Loan Reminders

Accounting Reminders

- Institutions are responsible for maintaining a Perkins Loan program accounting system, with ledger accounts and financial records that reflect and identify each Perkins Fund transaction.
- Institutions must record proper journal entries for the receipt and expenditure of their Perkins Fund cash.
- The institution's Perkins program accounting records must provide a clear audit trail that makes it possible to trace all program cash.
- Institutions must reconcile their Perkins accounting records and correct any discrepancies on a regular basis.

Perkins Loan Reminders

Accounting Reminders

- Institutions should be using their Perkins program accounting records to complete Part III, Section A of the FISAP each year.
- While institutions may use a third-party servicer's data to assist with reconciliation of their accounts, the data for completing Part III, Section A of the FISAP should come from the school's balanced and reconciled Perkins accounting records, not a third-party servicer.
- Schools should see Volume 4, Appendix A of the FSA handbook if they have any questions about their Perkins loan program accounting responsibilities.

Perkins Loan Reminders

Ensure proper reporting to NSLDS

- Schools must regularly review and reconcile their open Perkins Loan records in NSLDS against their internal records or those maintained by their servicer.
- The **NSLDS Perkins Portfolio Report (PRKPF1)** is now the primary tool schools should use for this purpose. The Portfolio Report provides a comprehensive view of all Perkins loans associated with the school, including both school-held and federally held (assigned) loans. This allows a school to compare a borrower's school-held open loan to any federally-held loans for that borrower and determine if the school-held open loan is a duplicate or erroneous loan record.
- Schools must make sure all open loans on NSLDS are reported on each month and that the open loan records on NSLDS match the school's open loan records.

Perkins Loan Reminders

**Ensure NSLDS
matches the data
submitted for
assignment**

- The creation of duplicate loan records in NSLDS is an ongoing issue.
- While regular reconciliation and correction of discrepancies in NSLDS can help minimize the problem, schools must ensure that the loan data in NSLDS matches the data they submit with each loan assignment.
- If discrepancies exist, a school should correct them in NSLDS before submitting the loan for assignment.

Perkins Loan Reminders

Conduct oversight of the work performed by a third-party Perkins Loan Servicer

- Institutions that utilize a third-party servicer for servicing Perkins loans must retain full oversight and remain responsible for the accurate reconciliation and management of their Perkins loan records in NSLDS.
- Institutions, not their third-party servicer, are responsible for the accurate recording of Perkins Fund cash transactions and for maintaining proper Perkins program accounting records.

Questions?
