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Ask the Mayor

Muriel Bowser
Mayor

Mayor Bowser Announces Relief for Residents Struggling with Student Loan Payments Due to COVID-19 Pandemic

Friday, May 1, 2020

(Washington, DC) – Today, Mayor Muriel Bowser announced expanded financial relief options for District residents who are struggling to pay private education loans due to the coronavirus (COVID-19) public health emergency. The initiative, launched by the District and several states, will provide qualifying District residents with loan forbearance and other financial protections.

Residents with commercially-owned Federal Family Education Loan Program (FFELP) loans or privately-held student loans who are struggling to make their payments will be eligible for expanded relief. Twelve private education loan servicers have backed the initiative.

Relief options under the initiative include:

- Providing a minimum of 90 days of forbearance
- Waiving late payment fees
- Ensuring that no borrower is subject to negative credit reporting
- Ceasing debt collection lawsuits for 90 days
- Working with borrower to enroll them in other borrower assistance programs, such as income-based repayment

If regulated student loan servicers are limited in their ability to take these actions due to investor restrictions or contractual obligations, they should proactively work with loan holders to relax those restrictions or obligations.

The new initiative will help fill a gap by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. That law provides relief for borrowers with federal loans, including the suspension of monthly payments, interest, and involuntary collection activity through September 30, 2020. However, the CARES Act left out millions of student loan borrowers with federal loans that are not owned by the federal government, as well as loans made by private lenders.

Borrowers in need of assistance must immediately contact their student loan servicer to identify their best options. To get details on their federal loans and servicers, they may visit the U.S. Department of Education's (DOE) National Student Loan Data System at nslds.ed.gov, or call DOE's Federal Student Aid Information Center at 1-800-433-3243 or 1-800-730-8913 (TDD). Borrowers with private student loans may check the contact information on their monthly billing statements.

States joining the District in this effort include California, Colorado, Connecticut, Illinois, Massachusetts, New Jersey, Vermont, Virginia, and Washington.

The 12 private student loan servicers providing relief are:

- Aspire Resources, Inc.
- College Ave Student Loan Servicing, LLC
- Earnest Operations
- Edfinancial
- Kentucky Higher Education Student Loan Corporation
- MOHELA
- Navient
- Nelnet
- Rhode Island Student Loan Authority
- SoFi Lending Corp.
- Tuition Options
- Utah Higher Education Assistance Authority
- Vermont Student Assistance Corporation

For additional resources regarding student loans, borrowers can contact:

- disb.dc.gov/studentloanhelp
- DISB Student Loan Ombudsman: (202) 727-8000 or DCLoanHelp@dc.gov
- disb.dc.gov/service/file-complaint-or-report-fraud to file a complaint with DISB
- The Consumer Financial Protection Bureau: consumerfinance.gov/complaint/

For more information on the District's response to COVID-19, visit coronavirus.dc.gov.