

Federal Student Loan Updates!

(As of 3/26/2025)

If you're like most members following the chaos in DC, you're probably confused about what's happening with your federal student loans. While there will be many more changes to report over the next few months, here's what you should know for now:

- **Public Service Loan Forgiveness, or "PSLF," is not going away.** It was created by Congress, and only Congress can alter it.
- **The SAVE repayment plan may be killed off by the 8th U.S. Circuit Court of Appeals.** Unlike the 36 months during the pandemic, however, if you're on the SAVE plan, you're not being credited toward the 120 payments you need for PSLF, because you're not making payments.
- **Two other income-driven plans are being extended.** The Income-Contingent Repayment plan, or "ICR," and the Pay As You Earn plan, or "PAYE," were also on the chopping block, but now may survive. The process of extending those plans may take several weeks.
- **The fourth income-driven plan, IBR, will also survive.** The Income-Based Repayment plan, or "IBR," was also created by Congress and will survive the 8th Circuit Court's decision. When the dust settles in D.C., the IBR plan may be the most affordable payment option left for people who want to qualify for PSLF, with the exception of Parent PLUS loan holders, who must repay those loans through the ICR plan.
- **Unfortunately, no one is allowed to switch into any of the income-driven plans.** Paper and electronic applications have been frozen and will not be processed. That freeze may last until the end of May. If you sent in an IDR application, your loans should have been placed in an administrative forbearance.
- **Income recertification has been extended.** Because the income-driven plans are effectively frozen, if you're on any of the IDR plans you won't have to recertify your income until February 2026.
- **Options if your payments are going up:** If you've recently received requests for payment and you hadn't submitted an IDR application, you can request a forbearance or hardship deferment, or you can contact your servicer to switch into the Graduated Extended repayment plan, provided that the monthly payment is affordable. Note, however, that payments made through that plan would never count for PSLF, so you may want to request forbearance instead while they sort things out in Washington.

Our benefits partner, Cambridge Credit Counseling, is closely monitoring changes to the student loan repayment program, and we will schedule additional free webinars with them when the situation becomes clearer. Watch your email for an announcement of webinar dates and times.

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