Q. How do I know what type of federal loan I have? Who is my servicer?

A. Visit the National Student Loan Data System at [www.nslds.ed.gov](http://www.nslds.ed.gov). Check to see a complete snapshot of your FFELP and Direct Loans. You’ll need your federal PIN (personal identification number) to access this information.

Q. I cannot pay my loan. What can I do now?

A. Contact your lender or servicer and explain why you cannot pay. You may qualify for a deferment or forbearance allowing you to postpone the payment of your loan. You may also want to discuss changing your repayment plan to decrease your monthly payments or extend your repayment period.

Q. Are options available to resolve my student loan default?

A. Absolutely! You can pay your loan in full, make arrangements to participate in the Federal Loan Rehabilitation program or consolidate your defaulted loan(s).

Q. How do I remove a defaulted student loan from my credit report?

A. Federal regulations require your lender to report the default to the credit bureaus. If the loan is paid in full, the default will remain on your credit report for seven years following the final payment date, but your report will reflect a zero balance. A benefit of rehabilitating your loans, the default will be removed from your credit report.

Q. What does default mean?

A. If a loan is delinquent for 270 days, it goes into default. If you default, you have to pay the entire unpaid balance and accrued collection fees immediately.

Q. What are some of the consequences of default?

A. Your default is reported to national credit agencies. This notification will continue to harm your credit rating and will make it difficult and more expensive to obtain other types of consumer credit, such as a home mortgage or a car loan.

Your wages may be garnished. If you fail to make arrangements to repay your loans and follow through by making your payments, your employer may be required to withhold a portion of your pay, which will apply to your unpaid balance.

You will incur additional costs. Collection costs can be added to your outstanding balance.

Your income tax refunds and other government benefit payments may be seized. If you are due a federal income tax refund or other federal payment, that payment may be seized to satisfy the outstanding balance you owe.
You won’t be able to receive additional federal student aid. If you wish to return to school, you will not be eligible for any additional federal student aid until you make arrangements to repay your defaulted loan.

You may be sued. Your guarantor or the federal government may file a lawsuit seeking civil judgment against you for the amount you owe.

The debt does not go away. Your unpaid loan will stay with you until you pay it back. With rare exceptions, federal education loans aren’t written off, and there is not a statute of limitations associated with collection of federal education loans.

If you are in default and don’t know which entity hold your loans, use the National Student Loan Data System Student Access website, www.nslds.ed.gov, to obtain that contact information.

Q. I have federal loans with multiple servicers. Is it possible to transfer them to just one servicer?

A. Yes, consolidation allows you to combine one or more existing eligible student loans into a single new loan, meaning you’ll make only one monthly payment to one servicer. If you are interested in learning more about consolidation and want to apply for a Direct Consolidation, visit the Federal Direct Consolidation Information Center or call 1-800-557-7392.

Q. When must I begin paying back my loan? Do I get a grace period?

A. **If you have a Direct or Stafford Loan (subsidized or unsubsidized)**—You get a 6-month grace period that begins the day after you graduate, leave school, or drop below half-time status. You must start making payments as soon as your grace period ends.

   **If you have a PLUS Loan for Parents**—If your loan was disbursed before July 1, 2008, you must start making payments within 60 days of the final disbursement date. However, if your loan was disbursed on or after July 1, 2008, you can request to postpone payments while the student for whom you obtained the PLUS Loan is enrolled at least half time. You may also request to postpone payments for the 6 months after the student is no longer enrolled at least half time.

Q. I am still in school. Why am I getting a bill?

A. Information has not been received that you are currently attending a U.S. Department of Education–approved school. If you’re unable to make payments and want to suspend them until this information is received, contact your servicer.