



Federal student loan relief is expiring:

What comes next and how to prepare.

The freeze on interest and monthly payments for federal student loans ends on 1/31/22. This guide breaks down what that means for your loans, how you can prepare, and what you can do to take control of your debt today.

Federal student loan relief is ending.

What's next?

The student loan benefits included in the Coronavirus Aid, Relief, and Economic Security Act (CARES) will expire on **January 31, 2022**. That means the “federal freeze” will be lifted and millions of Americans will return to accruing interest and making monthly payments on their loans.



This can be stressful news for many borrowers, so we've provided some information about the relief expiration and what happens next.

- **Interest accrual and monthly payments** on federal student loans will resume after January 31, 2022.
- For **Public Service Loan Forgiveness (PSLF)** eligible borrowers, each month worked during the deferral period still counts toward forgiveness.
- Borrowers can still make payments toward their loan's principal during the deferral period.
- **Deferred payments will not help or hurt your credit score.** However, your account will continue to age, which builds credit and may improve your scores.
- **Penalties and collection actions** for defaulted federal loans may resume after January 31, 2022. This includes wage garnishment, tax refund reduction, or reduction of any federal benefit.
- **Employers can pay up to \$5,250 of an employee's private and federal student loan payments,** tax-free for both employers and employees. This was extended through 2025 by the Consolidated Appropriations Act, 2021.

What else do you need to know?

FAQS

The expiration of federal student loan relief has created a lot of uncertainty for borrowers. Here's a breakdown of some common questions regarding your benefits, the end of federal relief, and what comes next.

What if student loan relief is extended again?

The U.S. Department of Education has stated that the January 31 extension [will be the last for payment and interest relief](#).

What should I do between now and January?

Borrowers should use this time to prepare for the return of interest and monthly payments. Make sure your account information is updated and your budget is ready. This may also be a good time to look at refinancing or changing up your payment plan.

What does inflation mean for my student loans?

Interest rates are expected to rise due to inflation fears. If you have a student loan with a variable rate, it's likely that your interest rate will increase. If you have private student loans or federal loans with a higher rate, you may want to consider refinancing while interest rates remain low.

What happens to my federal student loan benefits if I refinance?

If you refinance your student loans, you lose all federal benefits and protections, like income-driven repayment, deferment, and loan forgiveness.

What if student debt is forgiven?

President Biden has been resistant to significant student loan forgiveness or cancellation and the prospect seems unlikely. Borrowers should avoid taking steps assuming that their debt will be forgiven.

What if I can no longer afford to make monthly payments?

If your income or financial situation has changed over the past year, you may be eligible for an [income-driven repayment plan](#). Payments on these plans can be as low as \$0. However, your loans will continue to accrue interest.

Can I still make payments during the relief period?

Yes! Any payment made during the relief period will go toward your loan's principal, which could help you pay it down faster.

Should you consider refinancing your federal loans?

That depends. Federal student loans come with unique benefits and risks. If you're thinking about refinancing or consolidating your student debt, it's important to weigh your options.

What's student loan refinancing?

Refinancing your student loans could reduce your interest rate and help you save thousands over time. It's worth considering if you have high-interest federal loans, private loans, or a mix of both.

Benefits of Federal Student Loans

- **Lower payments:** Income-driven programs could lower your monthly payments.
- **Forgiveness:** Some repayment plans can forgive your remaining balance if your loans are not repaid in full at the end of your repayment period.
- **Public Service Loan Forgiveness (PSLF):** Individuals with large federal loan balances who plan to take a job at a qualifying public service organization can take advantage of forgiveness benefits.
- **Easy to qualify:** Almost anyone can qualify for some form of federal student loans, regardless of creditworthiness.

Benefits of Refinancing

- **Lower rates:** You could save thousands with flexible terms and a lower rate.
- **Lower monthly payments:** Depending on the terms you select, you could lower your monthly payment amount.
- **Convenience:** Refinancing can help you consolidate both federal and private loans into one loan with one monthly bill.
- **Flexible terms:** Pick a repayment plan that works for you, your goals, and your budget.



Now could be the time to make some moves with your student loans.

If you have federal student loans, you may be tempted to put off dealing with them until relief expires. What if you could take advantage of historically low refi rates AND keep some of your CARES Act benefits? Here's what you get when you refinance your federal loans with SoFi.

- **Lock in a lower refi rate** on your federal student loan.
- Pay **0% interest** until December 20, 2021.
- Make **no monthly payments** until February 2022.
- If you change your mind, you can **cancel anytime** up until December 20, 2021.

Plus, take advantage of an exclusive **0.125% rate discount*** by refinancing through **SoFi.com/AAPD**. Log in below and find the offer to get started.

[Check your rate](#)

Whether you have federal loans, private loans, or a mix of both—you have options. SoFi can help every step of the way. Ask questions, get assistance, and explore your student loan options with our dedicated student loan support team by calling **(833) 277-7634** or **emailing your-benefits@sofi.com**.

NOTICE: Recent legislative changes have suspended all federal student loan payments and waived interest charges on federally held loans until 01/31/22. Please carefully consider these changes before refinancing federally held loans with SoFi, as in doing so you will no longer qualify for these changes or other future benefits applicable to federally held loans.

Terms and conditions apply. SOFI RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS AND BENEFITS AT ANY TIME WITHOUT NOTICE. To qualify, a borrower must be a U.S. citizen or other eligible status and meet SoFi's underwriting requirements. Not all borrowers receive the lowest rate. Lowest rates reserved for the most creditworthy borrowers. If approved, your actual rate will be within the range of rates listed above and will depend on a variety of factors, including term of loan, a responsible financial history, years of experience, income and other factors. Rates and terms are subject to change at any time without notice and are subject to state restrictions. **SoFi refinance loans are private loans and do not have the same repayment options that the federal loan program offers, or may become available, such as Income Based Repayment, Income Contingent Repayment, or PAYE.** Licensed by the Department of Financial Protection and Innovation under the California Financing Law License No. 6054612. SoFi loans are originated by SoFi Lending Corp. or an affiliate, NMLS #1121636. (www.nmlsconsumeraccess.org)

***Rate discount for refinancing your student loan:** Terms and conditions apply. Offer good for new student loan refinancing customers only and subject to lender approval. To receive the offer, you must: (1) register and/or apply through this landing page; (2) complete a loan application with SoFi within 90 days of your application submit date; (3) and meet SoFi's underwriting criteria. Once conditions are met and the loan has been disbursed, the interest rate shown in the Final Disclosure Statement will include an additional 0.125% rate discount because of your involvement with a SoFi partner company at the time of loan origination. Offer good for new customers only. Cannot be combined with other rate discounts, with the exception of the 0.25% AutoPay rate discount. SoFi reserves the right to change or terminate the Rate Discount Program to unenrolled participants at any time with or without notice.

To check the rates and terms you qualify for, SoFi conducts a soft credit pull that will not affect your credit score. However, if you choose a product and continue your application, we will request your full credit report from one or more consumer reporting agencies, which is considered a hard credit pull and may affect your credit.

If you reach SoFi through your employer or your employer's benefits page, the following terms apply to you. If you reach SoFi through a link on your employer's site, these terms apply to your use of SoFi.

You may be using the SoFi site because your employer offers links to the SoFi site. In order to use the SoFi site, you must agree to and accept this entire Agreement. If you do not wish to accept SoFi's Terms of Use Agreement, please inform your employer to remove you from the list of participating employees immediately and do not use the SoFi Site.

By making this SoFi site available to you, SoFi is NOT a fiduciary to you and SoFi is not providing any retirement benefits or any other employment benefits. In all cases, SoFi is offering you services and products as customers of SoFi.

Employer Contributions. Many employers engage SoFi to assist in the delivery of an Employer Contribution to their Employees. If you use SoFi to receive your Employer's contributions, you agree to the following terms:

1. You are responsible for designating and confirming your contribution amounts through your employer directly and through the SoFi Site. SoFi is not responsible for verifying you receive the correct contribution amount.
2. The contribution is made by your employer to you. SoFi's role is only to assist in connecting your selected external account to receive the contribution.
3. When you use SoFi to connect an external account, including a student loan account and any 529/College savings Plan, you agree to the terms set forth above in Connected Accounts.
4. You must establish and maintain your student loan account and any college savings plan. SoFi does not establish, support, maintain, or monitor these accounts in any way. You are required to, and you agree to, regularly check these accounts to ensure contributions (your contributions and your employer's contributions, if any) are correctly received.
5. You must notify SoFi or your employer immediately if you notice or have reason to believe funds are not delivered correctly to your external accounts.
6. You authorize SoFi to receive information about you from your employer as necessary in order to facilitate your participation in the employer's program.

Student Loan Payment Information. Certain employers engage SoFi to assist employees identifying the amount of payments made to a student loan account so that the employer may use this information in its benefits plan. If your employer requests that you use SoFi for this purpose, you agree to the following terms:

- You will be asked to connect your loan account so that SoFi may obtain information about your payments to share with your employer.
- When you use SoFi to connect an external loan account, you agree to the terms set forth above in Connected Accounts.
- You give SoFi permission to share with your employer information from the account including the amounts and timing of your payments to the account.
- If you connect an external account for purposes of sharing student loan information with your employer, you attest and certify the connected loan is a qualified student loan account used for educational purposes.

Many factors affect your credit scores and the interest rates you may receive, SoFi is not a Credit Repair Organization as defined under federal or state law, including the Credit Repair Organizations Act. SoFi does not provide "credit repair" services or advice or assistance regarding "rebuilding" or "improving" your credit record, credit history, or credit rating. For details, see the FTC's website on [credit consumer.ftc.gov/topics/credit-and-loans](http://credit.consumer.ftc.gov/topics/credit-and-loans).

SoFi at Work is offered by Social Finance Inc. SoFi loans are offered by SoFi Lending Corp. or an affiliate, licensed by the Department of Financial Protection and Innovation under the California Financing Law, license #6054612, NMLS #1121636 (www.nmlsconsumeraccess.org). The Student Debt Navigator tool and 529 Savings and Selection tool are provided by SoFi Wealth, LLC, an SEC Registered Investment Advisor. For additional product-specific legal and licensing information, see SoFi.com/legal. Screen images simulated. 2750 E. Cottonwood Parkway #300 Cottonwood Heights, UT 84121. ©2021 Social Finance, Inc. All rights reserved. Information as of July 2021 and is subject to change. SLR21-473992