

# Trouble Paying Student Loans

*Options in Times of Financial Hardship*

## Counseling

Navicore Solutions offers student loan counseling. A certified counselor will review your options and provide information to assist you in applying for programs.

## Postponing Payments

A **suspension** will stop your student loan payments temporarily. Although this can be a welcome relief, it is important to remember that your interest will likely continue to accrue. This will cause the amount you owe to increase.

A **deferral** may be available under certain conditions. Unemployment or economic hardship are two valid reasons; however, you must not be in default on your loans. If your loans are subsidized, you will not be charged interest during the deferral period.

A **forbearance** allows you to temporarily postpone repayment of your student loan. Unlike a deferral, a forbearance can be arranged if the loan is in default. Interest will continue to accrue while the payments are postponed.

## Income-Based Repayment (IBR)

An income-based repayment plan (IBR) is available for all federal student loans except PLUS loans made to parents. Payments are determined on a sliding scale and are based on income and family size.

Under the IBR plan, payments on your loan may be reduced, but they may not cover the interest that has accrued in some cases. While your debt may continue to grow if your payments are low, the amount owed on the loan after 25 years of making payments will be forgiven.



Public Service Loan Forgiveness is a program that forgives any remaining debt after 10 years of eligible employment and qualifying loan payments. Information is available for IBR and Public Service Forgiveness at [www.ibrinfo.org](http://www.ibrinfo.org).

## Pay As You Earn (PAYE)

The PAYE plan is similar to IBR, but you must be a new borrower as of October 1, 2007 and must have received a loan disbursement on or after October 1, 2011. Your loan balance is forgiven after 20 years of qualifying repayment. See [www.studentaid.ed.gov/repay-loans/understand/plans/pay-as-you-earn](http://www.studentaid.ed.gov/repay-loans/understand/plans/pay-as-you-earn) for more information.

## Bankruptcy

A Chapter 13 bankruptcy may help by making payments more manageable during your plan. Speak with a bankruptcy attorney.

## Special Programs for Military Personnel

**Military Service Deferment** is available to service members on active duty during a war or other qualifying operation. The borrower must submit a deferment form.

**Active Duty Student Deferment** is for borrowers who are enrolled when called into active duty and plan to re-enroll after they complete their service.

**The 2008 Higher Education Opportunity Act** includes a program that prohibits interest accrual while eligible military service members are serving on active duty in certain situations. This benefit applies only to Direct Loan borrowers and only for loans first taken after October 2008.

**The Service Members Civil Relief Act** provides benefits to service members on active duty. More Information is available at [www.justice.gov/crt/spec\\_topics/military/scra.php](http://www.justice.gov/crt/spec_topics/military/scra.php).

**Since programs are always changing, check the following for the latest information:**

[www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org)

This site is for people who already have student loans and want to know more about their options and rights.

[www.studentaid.ed.gov/repay-loans/disputes](http://www.studentaid.ed.gov/repay-loans/disputes)

This site helps with disputes and problems with student loans.

[www.navicoresolutions.org](http://www.navicoresolutions.org)

Call us at 1-800-99-BILLS for counseling.



An Educational Message from



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