

HELPFUL INFORMATION ABOUT THE STUDENT DEBT RELIEF ANNOUNCEMENT

On Aug. 24, 2022, President Biden announced that the **US Department of Education will forgive \$10,000 in federal student loan debt for many existing borrowers, and \$20,000 for those who received Pell Grant assistance as an undergraduate.**

Understandably, many borrowers have questions about this announcement. Information below is taken from the initial White House announcement. **Details may change in the coming weeks.** You can learn more and sign up for email updates at studentaid.gov/debt-relief-announcement.

Who is eligible for forgiveness?

To be eligible, a borrower's annual income must be below \$125,000 (individuals) or \$250,000 (married couples).

Will I receive \$10,000 or \$20,000?

For those below the income limit listed above, the forgiveness is \$10,000. For those who received Pell Grant assistance as an undergraduate, \$20,000 of the federal loan balance will be forgiven.

How do I know if I had a Pell Grant as an undergraduate?

When you log in to your account at studentaid.gov, your **aid summary page** will show your aid history, including whether you ever received a Pell Grant.

Does this apply to current dependent students?

Current dependent students qualify for loan forgiveness if their parents' income is below the cap (\$125,000 individual/\$250,000 married couple). Forgiveness only applies to loans disbursed prior to July 1, 2022.

Does forgiveness apply to private alternative loans?

Only federal student loans (Direct Subsidized, Direct Unsubsidized, Direct Parent PLUS or Grad PLUS, Direct Consolidation) fall under the current plan.

What else was announced August 24?

The current pause on federal loan repayment was extended through the end of 2022. Changes to the rules for income-based repayment were also announced. Details are pending.

Do I need to apply for loan forgiveness?

Details of the process have yet to be announced. To sign up for email updates on this process, visit ed.gov/subscriptions.

