

Paying Off Your Student Loans

Whether you are currently using, thinking about applying for, or about to start repaying a student loan, it helps to know what your repayment options might be so that you can make the most informed decision possible.

Please note: Federal loan regulations are subject to change;
please refer to the [Federal Student Aid website](#) for the most up-to-date information.

We also encourage you to check out [The Institute of Student Loan Advisors Corporation \(TISLA\)](#), a nonprofit based in Massachusetts that is dedicated to ensuring “that all student loan borrowers have access to free, neutral and clear student loan advice and dispute resolution assistance.”

Currently repaying loans?

- The government’s pause on loan repayments during the COVID-19 pandemic ended in October 2023.
- It is critical that you resume repayments and that you monitor your repayment status to protect your credit.
- **Unsure which servicer owns your loans?**
 - [Log in to your federal loan dashboard](#). If you can’t log in, call 1-800-4-FED-AID (1-800-433-3243).
 - Don’t delay; some borrowers have been on hold for hours trying to find new servicers!
- Find more helpful information to get back on track on the [Federal Student Aid website](#).
- **Learn about Public Service Loan Forgiveness plans on the next page!**

Don’t go into default! It will mess up your credit score and ability to get other loans!

- It’s important to pay the amount shown on your bill—and to pay by the due date.
- **The first day after you miss a student loan payment, your loan becomes past due, or “delinquent.”** Your loan account remains delinquent until you repay the past due amount or make other arrangements, such as [deferment or forbearance](#), or changing repayment plans.
- If you are delinquent on your loan payment for 90+ days, your loan servicer will report the delinquency to the three major national credit bureaus.
- If you continue to be delinquent, your loan can risk going into “default.” **Don’t ignore your student loan payments—defaulting on your loan can have serious consequences.**
- Learn [how to avoid default](#). Note: Credit bureaus may be called “consumer reporting agencies” on the promissory note you signed before receiving your loan.

About to start repaying loans this year, or thinking ahead to graduation?

- Review key concepts, tips, and more for repaying your student loans at Repaying Student Loans 101.
- **Start with the [Loan Simulator](#): Calculate student loan payments and choose a repayment option that best meets your needs and goals. You can also use it to decide whether to consolidate your loans.**
- **Income-Driven Repayment (IDR) Plans** base your monthly student loan payment on your income and family size. Monthly payments in IDR are generally a percentage of your discretionary income. Each year, you must update your income and family size (this is called “recertifying your IDR plan”). **By the end of the repayment period in an IDR plan, any remaining balance may be forgiven! There are four plans:**
 1. Saving on a Valuable Education (SAVE) Plan
 2. Pay As You Earn (PAYE) Repayment Plan
 3. Income-Based Repayment (IBR) Plan
 4. Income-Contingent Repayment (ICR) Plan
 - To repay your federal student loans under an IDR plan, you need to [fill out an application](#).
- **No matter what plan you choose**, make sure you set up an online account with your loan servicer and provide current contact information, especially after any moves or changes in family size.

Public Service Loan Forgiveness (PSLF)

In certain situations, you can have your federal student loans forgiven, canceled, or discharged. That means you won't have to pay back some or all your loan(s). The terms "forgiveness," "cancellation," and "discharge" mean essentially the same thing. [Public Service Loan Forgiveness](#) is the most common way people apply to have their student loans forgiven. **According to the IRS, student loan amounts forgiven under PSLF are not considered income for tax purposes. You will not be taxed by the federal government, but your state may tax you.**

Who is eligible? Full-time employees of a government or not-for-profit organization that qualifies as an [eligible employer](#).

How does it work? The PSLF Program forgives the remaining balance on your direct loans after you've made the equivalent of 120 qualifying monthly payments under an [accepted repayment plan](#) (see IDR plans above).

- Periods of employment prior to October 1, 2007 cannot qualify for PSLF.
- Serving as a full-time AmeriCorps or Peace Corps volunteer counts for the PSLF Program.
- If your current employer is not listed as eligible, [they can apply to be!](#)

Remember, you never have to pay for help!

Make sure you work only with the U.S. Department of Education, the office of Federal Student Aid, and their loan servicers. **Never** reveal your personal information or account password to anyone. [Learn About Avoiding Scams.](#)

Financial Wellness Resources

There are numerous "financial wellness" tools out there to help you make smart decisions about loan repayments, budgeting, buying a home, retirement, and more. Below are just a couple! **Please note:** Hebrew College does not guarantee or endorse the third-party sources listed here. Should you choose to engage with either of them, you accept full responsibility for any application process, contracts, fees, communications, etc., and cannot hold the College liable.

- [MEFA Financial Wellness Resources](#): Check out MEFA's (Massachusetts Education Financing Authority) online presentation which walks you through the different steps to become financially informed and responsible. Learn your options for federal loan repayment, the importance of good credit, and how to make a budget. We also include several helpful resources to assist you on your journey to financial wellness.
- [Kindros](#) is a new public benefit corporation dedicated to creating lasting economic and social value. They provide people with a safe place to learn personal finance using our Financial Building Blocks® system.

Media resources recommended by the National Association of Student Financial Aid Administrators:

- [MEFA's podcast series: Conversations with experts about planning, saving, paying for college, and reaching financial goals. You can listen to each podcast on their page, or through your preferred podcast app.](#)
- ["OTC" \(Off the Cuff\) podcast episode, "All Things SAVE With Under Secretary James Kvaal"](#)
- ["Planet Money" podcast episode, "The new Biden plan that could still erase your student loans"](#)

If you discover other resources that you think current students would benefit from, please let us know at financialaid@hebrewcollege.edu!