

STUDENT LOAN FORGIVENESS:

What You Need to Know as a Borrower



The Biden-Harris administration has unveiled a [student debt relief plan](#) this past month, which includes student loan cancellation. This plan is directed to help those with federal student loan debt. Here are parts of the plan that may apply to you and what you need to know as a borrower.

Extended Delay on Student Loan Repayments

There is an extended pause on federal student loan repayments that will now go through December 31st, 2022. If you have federal student loans, you should expect to start making repayments by at least January of 2023 as your regular loan interest rate will apply.

Federal Loan Forgiveness

The Department of Education is planning to forgive up to \$20,000 of federal loan debt to those who qualify. If you are a borrower who is a non-Pell Grant recipient, you can receive up to \$10,000 in debt cancellation. If you are a borrower who received a Pell Grant as an undergraduate, you could receive up to \$20,000 in debt cancellation. Borrowers are eligible if their individual income is less than \$125,000 or \$250,000 for married couples and/or households.

What steps do you have to take if you are eligible?

In order to benefit, most borrowers will have to submit an application and verify their income.

If you would like to be notified when the application is open, please sign up on the [Department of Education subscription page](#).

New Income-Driven Repayment Plan

A new income-driven repayment plan will help cut future monthly payments for those who qualify. The new plan will include the following:

- Borrowers will have to pay no more than 5% of their discretionary income monthly on undergraduate loans, down from 10%.
- Raise the amount of income that is considered non-discretionary income.
- Forgive loan balances after 10 years of payments, down from 20, for those with loan balances less than \$12,000.
- Cover the borrower's unpaid monthly interest.

To find more information about federal government student loan debt relief, please visit [Studentaid.gov](#).

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advisory services are offered through Global Retirement Partners, an SEC Registered Investment Advisor. Global Retirement Partners and Strategic Retirement Partners (SRP) are separate entities from LPL Financial.

Global Retirement Partners employs (or contracts with) individuals who may be (1) registered representatives of LPL Financial and investment adviser representatives of Global Retirement Partners; or (2) solely investment adviser representatives of Global Retirement Partners. Although all personnel operate their businesses under the name Strategic Retirement Partners (SRP), they are each possibly subject to differing obligations and limitations and may be able to provide differing products or services.