

# BIDEN ADMINISTRATION

# STUDENT LOAN DEBT RELIEF PLAN

President Biden, Vice President Harris, and the U.S. Department of Education have announced a three-part plan to help student loan borrowers transition back to regular payment. This flyer serves as a summary of the Student Loan Debt Relief Plan and provides links to external sources for more detailed information.

## PART 1. FINAL EXTENSION OF THE STUDENT LOAN REPAYMENT PAUSE

The Biden-Harris Administration will extend the repayment pause a final time through December 31, 2022, with payments resuming in January 2023. For more information regarding the pause, visit <https://studentaid.gov/debt-relief-announcement>.

## PART 2. PROVIDING TARGETED DEBT RELIEF TO LOW- AND MIDDLE-INCOME FAMILIES

The U.S. Department of Education will provide up to \$20,000 in debt cancellation to Pell Grant recipients with loans held by the Department of Education and up to \$10,000 in debt cancellation to non-Pell Grant recipients. Borrowers are eligible for this relief if their income meets the debt cancellation requirements (visit <https://studentaid.gov/debt-relief-announcement> for more on requirements).

In addition, borrowers who are employed by non-profits, the military, or federal, state, Tribal, or local government may be eligible to have all their student loans forgiven through temporary changes made to the Public Service Loan Forgiveness (PSLF) program.

PLEASE NOTE that these changes expire on October 31, 2022. For more information on eligibility and requirements, visit [PSLF.gov](https://pslf.gov).

## MAKE THE STUDENT LOAN SYSTEM MORE MANAGEABLE FOR BORROWERS

The Biden-Harris Administration is proposing a rule to create a new income-driven repayment plan that will reduce future monthly payments for lower- and middle-income borrowers.

The rule would:

- Require borrowers to pay no more than 5% of their discretionary income monthly on undergraduate loans.
- Raise the amount of income that is considered non-discretionary income and therefore is protected from repayment.
- Forgive loan balances of \$12,000 or less after 10 years of payments.
- Cover the borrower's unpaid monthly interest.

You can read more about the Student Loan Debt Relief Plan by visiting <https://studentaid.gov/debt-relief-announcement>