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STUDENT LOAN RELIEF SECURED FOR BORROWERS NOT COVERED BY FEDERAL CARES ACT

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Montpelier, Vt. – Governor Phil Scott and Department of Financial Regulation (DFR) Commissioner Michael Pieciak today announced a multi-state initiative to secure student loan relief options for thousands of Vermonters with privately held student loans. The relief, confirmed with several of the most significant national private student loan servicers, will expand on the protections already provided by the Vermont Student Assistance Corporation (VSAC) and provided to federal student loan borrowers under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

“The COVID-19 pandemic has touched the lives of every single Vermonter, and for so many, it is significantly impacting their ability to make ends meet,” said Governor Scott. “Vermonters with student loans through VSAC already had the benefit of this financial flexibility, but with this initiative, we can expand these relief options to more Vermonters. I want to thank the Department of Financial Regulation, VSAC and all who have stepped up to help provide relief for Vermont families.”

Borrowers in need of assistance, including VSAC borrowers, must immediately contact their student loan servicer or lender to identify the options appropriate to their circumstances. Relief options include:

- Providing forbearance of payments for a minimum of 90 days;
- Waiving any applicable late payment fees;
- Protections from negative credit reporting;
- Ceasing debt-collection lawsuits for 90 days; and

- Working with borrowers to enroll them in appropriate assistance programs, such as income-based repayment.

If student loan servicers are limited in their ability to take these actions due to investor restrictions or contractual obligations, the servicers will proactively work with loan holders to relax those restrictions or obligations whenever possible. DFR examiners will favorably consider prudent and reasonable actions taken to support relief for borrowers during the pandemic.

“This is an important step forward for Vermonters and we thank the Governor for taking the lead on this initiative,” said Scott Giles, president and CEO of VSAC. “We are all travelling uncharted waters together and COVID-19 has impacted thousands of Vermont borrowers. If a Vermonter is struggling to make payments, or unsure of what options are available, VSAC counselors stand ready to help guide them whether they are customers of ours or not.”

Students with federal loans were provided relief under the CARES Act, however, the CARES Act provided no relief for federal loans not owned by the federal government or for loans made by private lenders. Under this initiative, many Vermonters with commercially owned Federal Family Education Loan Program loans or privately held student loans who are struggling to make their payments due to the COVID-19 pandemic will be eligible for expanded relief.

“During these challenging times it is important for financial companies to provide relief to their consumers who are struggling to pay their student loans or other bills,” said Commissioner Pieciak. “I want to thank VSAC for helping lead the way among the student loan industry and also thank our team at DFR for their work putting this initiative together – both will have a great benefit for many Vermonters.”

To determine the types of federal loans they have and who their servicers are, borrowers can visit the Department of Education’s National Student Loan Data System (NSLDS) at nslds.ed.gov or call

the Department of Education's Federal Student Aid Information Center at 1-800-433-3243 or 1-800-730-8913 (TDD). Borrowers with private student loans can check the contact information on their monthly billing statements. VSAC borrowers may call 1-833-802-8722 for assistance.

If a borrower is experiencing trouble with their student loan servicer, they are encouraged to contact the following and file a complaint:

- DFR Banking Division: call (888) 568-4547 or email dfr.bnkconsumer@vermont.gov.
- Attorney General's Consumer Assistance Program: call (800) 649-2424 or email AGO.CAP@vermont.gov.
- The Consumer Financial Protection Bureau: www.consumerfinance.gov/complaint/.

Other states joining this initiative include California, Colorado, Connecticut, Illinois, Massachusetts, New Jersey, Virginia and Washington.

In addition to VSAC, which already provides these relief options, the other private student loan servicers providing relief includes: Aspire Resources, Inc., College Ave Student Loan Servicing, LLC, Earnest Operations, Edfinancial, Kentucky Higher Education Student Loan Corporation, Lendkey Technologies, Inc., Missouri Higher Education Loan Authority (MOHELA), Navient, Nelnet, SoFi Lending Corp., Tuition Options United Guaranty Services, Inc., Upstart Network, Inc. and the Utah Higher Education Assistance Authority.