

Federal Student Loan repayment extension

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On Friday, August 6, 2021, the [U.S. Department of Education announced](#) a final extension of the pause on federal student loan repayment, interest, and collections **until January 31, 2022**. The Department will begin notifying borrowers about this final extension in the coming days, and it will release resources and information about how to plan for payment restart as the end of the pause approaches.

The extended 'administrative forbearance' applies only to federal student loans and does not include private loans. Borrowers who can still afford to make payments will have any payments made during this time be applied directly to their loan principal which is the original amount of money borrowed.

As posted on the [studentaid.gov website](#) - The pause includes the following relief measures for eligible loans:

- a suspension of loan payments
- a 0% interest rate
- stopped collections on defaulted loans

What you can do:

- Share a link to the [Department of Education's Federal Student Aid website](#). On this website, borrowers can find more information about the current suspension of federal student loans, as well as information about student loan repayment options to fit their current income.
- Direct learners to our Money Matters module on 'Managing Student Loans' with resources related to both federal and private student loans: <https://fyi.extension.wisc.edu/moneymatters/managing-student-loans/>
- Refer individuals to our "Financial Topic Hub" website for Covid-19 Financial Resources for additional details related to student loan repayment: <https://finances.extension.wisc.edu/topics/financial-resources-to-help-get-through-covid-19/>