

Attorney General Raoul Urges Student Borrowers In Default To Consider Fresh Start Program Before Deadline

March 25 2024 9:39 AM



CHICAGO - Attorney General Kwame Raoul is encouraging Illinois residents whose eligible federal student loans have gone into default to enroll in the U.S. Department of Education's [Fresh Start](#) program before the Sept. 30, 2024 deadline to apply.

“If you put off making your payments or had hardships that made it feel impossible, you are not alone, and there are options,” Raoul said. “Borrowers can bring their student loans out of default by signing up for the Department of Education’s Fresh Start program before time runs out.”

Federal student loan payments resumed for millions of Americans in October 2023. Federal student loans often go into default if repayments have been missed for more than 270 days.

Getting a loan out of default has several benefits for borrowers. It will stop collections calls and keep borrowers’ wages from being garnished, or tax refunds or social security payments from being withheld. It also allows access to federal student aid to go back to schools and makes it easier to get other government-backed loans, like mortgages.

Borrowers can find out if their federal student loan is in default by logging into their FSA account at studentaid.gov. From the student loan dashboard, users can select the “My Aid” section at the top of the screen and click “View Details.” On the next screen, users can click “Loan Breakdown” and select the option to “View Loans.” For each loan, there will be a “Loan Status” column that states whether the loan is in repayment, a grace period, forbearance, deferment, delinquent or in default.

Enrollment in the Fresh Start program is not automatic, but it is easy to apply online at myeddebt.ed.gov, by phone at 1-800-621-3115 (TTY 1-877-825-9923), or by mail to P. O. Box 5609, Greenville, TX 75403. Borrowers can follow [recommendations](#) from the Department of Education for what to include in an application letter. The temporary benefits of Fresh Start will last through at least September 2024.

Borrowers who have FFEL loans will need to contact their [Guaranty Agency](#). Borrowers who don’t know who holds their loan can call 800-621-3115 (TTY 1-877-825-9923). Borrowers who plan to go back to school should simply submit a [FAFSA](#) to get out of default.

Once a loan is out of default, student loan payments will resume. However, under some income-driven repayment plans, borrowers may be able to pay as little as \$0. The Department of Education’s newest income-driven repayment plan is the SAVE plan. With SAVE, borrowers who make their full monthly payment each month will not see their balance grow because the government will cover the rest of the interest that accrued that month. The Department of Education’s Loan Simulator can help borrowers determine their preferred plan.

Raoul cautions consumers to watch out for scam calls, emails, letters, texts or social media messages promising student loan debt relief for a fee because federal student

loans can be taken out of default for free. Borrowers who think they have been scammed by a student loan debt relief company should contact their loan servicer and revoke any power of attorney or third-party authorization forms, demand the student loan debt relief company entirely remove their personal information from its records, check with their servicer about recent account activity, and contact their bank or credit card company to stop payments.

Student loan debt relief scam victims should immediately report suspicious activity through the Department of Education's [Feedback Center](#), change their [FSA ID](#) password, and then report the fraud to the Illinois Attorney General's office by [filing a consumer complaint](#).

Attorney General Raoul encourages borrowers who have questions about their student loan repayments, servicers, or scams to call the Attorney General's Student Loan Helpline at 1-800-455-2456 or email StudentLoans@ilag.gov.