CARES Act Student Loan Fact Sheet

Payments automatically deferred and interest is waived on federally held student loans through Sept. 30, 2020.

- Covers approximately 95% of borrowers, excludes federal debt held by private companies (Federal Family Education Loan program) and federal debt held by colleges and universities (federal Perkins loans).
- Each month during payment deferral period still counts towards loan forgiveness for borrowers in public service jobs and student loan rehabilitation.
- Borrowers may continue to make payments toward the principal.
- Deferred payments will still be counted as payments to credit reporting agencies during deferral period.


- Waived penalties include wage garnishment, tax refund reduction, or reduction of any federal benefit, including Social Security benefits.
- The Department of Education is returning about $1.8 billion to more than 830,000 defaulted borrowers whose money was withheld on or after March 13.

Allows companies to pay up to $5,250 of employee’s student loan payments on a tax-free basis through Dec. 31, 2020.

- Private student loans qualify for this program.
- Payments can be made to the borrower or to the lender.
- Payments would be excluded from income and payroll taxes (both the employee and employer portion).

Waives consecutive service requirement for Teacher Loan Forgiveness Program during COVID-19 emergency.

- Waives requirements that years of teaching service be consecutive if service is interrupted due to COVID-19 emergency and the borrower resumes teaching and completes five years of qualifying service (before/during/after COVID-19 emergency).

Waives requirement that students repay entire portion of federal student loan if they withdraw from courses due to COVID-19 emergency.