

Loan forgiveness starts here

Step 1. Lower the interest rate for all of your student loans

If you are serving on active duty, you're eligible to have your interest rate lowered to 6 percent on all student loans (both federal and private) taken out before your active-duty service. You can submit your request up to 180 days after leaving active duty, and the lower interest rates will be applied retroactively for the entire period of your active-duty service.

Get started

- Tell your student loan servicer(s) that you'd like to lower your interest rate under the Servicemembers Civil Relief Act (SCRA). You'll need to submit a written request and a copy of the orders calling you to active duty.

Step 2. Manage your federal student loans

You can take steps to lower your monthly payment today and may qualify for Public Service Loan Forgiveness after 120 qualifying monthly payments (ten years). All active duty servicemembers may be eligible. To get started you need to have a qualifying loan, sign up for a qualifying payment plan and certify you have a public service employer.

Make sure you have a qualifying loan. Only federal Direct Loans are qualifying loans for Public Service Loan Forgiveness. Learn more about your loans at nslds.ed.gov.

Enroll in a qualifying payment plan. Income-Based Repayment (IBR) is the best payment plan for most borrowers. IBR sets a low monthly payment based on your income, allowing you to make progress toward 120 on-time qualifying payments and loan

Know your options

- **Reduce your interest rate to zero.** While you are serving in an "area of hostility" that qualifies you for special combat pay, you may not have to pay interest on Direct Loans made on or after October 1, 2008, for up to 60 months.
- **Cancel all or part of your Perkins loans.** Perkins Loan borrowers serving in an "area of hostility" for more than 365 days may be eligible to have their loan balance reduced for each qualifying year of service. Contact your servicer to apply.
- **Be wary of military deferment.** Military deferment may be available for some servicemembers if you're on active duty or in the National Guard during certain qualifying times. But be aware, if you have an unsubsidized loan, the unpaid interest will cause your total debt to grow.

forgiveness. For recent grads, Pay As You Earn (PAYE) can lower your payments further and may be an even better deal. To get started on IBR or PAYE enroll online at studentloans.gov.

Certify that you work for a qualified public service employer. Contact your student loan servicer to get the Employment Certification for Public Service Loan Forgiveness form to qualify for loan forgiveness. You'll need your employer to complete and sign section three.

Step 3. Manage your private student loans

If you're having trouble making ends meet and you're serving on active duty, you may be eligible to postpone private student loan payments through deferment or forbearance options. Be aware that while the terms of alternative payment plans will vary, the interest on your loans will continue to grow even after you stop making payments.

Pay what you can. For most servicemembers, it's better to pay your private student loans if you can. If you can't afford to repay your loans while you're on active duty, ask your servicer about interest-only payments instead of deferment or forbearance. This will stop your loans from growing and may still provide you with some short-term relief.

Want loan forgiveness but have federal loans that don't qualify?

- **Consider the pros and cons of consolidating.** Borrowers with older federal loans may be able to take out a new Direct Consolidation Loan in order to be eligible for Public Service Loan Forgiveness.
- **Be careful.** Borrowers currently on active duty may lose eligibility for their interest rate reduction under the SCRA if they take out a new consolidation loan.

Get help

- **Submit a complaint.** Have an issue with your servicer or debt collector? We'll forward your complaint to the company and work to get a response from them. Visit consumerfinance.gov/complaint or call (855) 411-CFPB (2372).
- **Contact your Judge Advocate General (JAG).** A JAG can help if you need legal services. Find a JAG at legalassistance.law.af.mil.
- **Still have questions?** Ask CFPB has over 1,000 questions and answers in plain language. Visit consumerfinance.gov/askcfpb.