



President Trump Announces Student Loan Debt Relief

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PERSONAL FINANCES

DEBT MANAGEMENT

The coronavirus pandemic is having far-reaching economic effects. The resulting business slowdown has affected many doctors' personal and practice finances. Fortunately, if you have student loans outstanding, you may benefit from the President's recent national emergency declarations outlined below.

As part of his March 13 national emergency declaration regarding the coronavirus outbreak, President Trump announced he was freezing student loan interest immediately. And on March 20 the President went further, allowing almost all federal student loan borrowers the option to suspend payments for at least 60 days without penalty, by requesting forbearance. You can [contact FedLoan Servicing online](#) or call 800.699.2908 Monday-Friday 8:00 AM to 9:00 PM (ET) to make this request. Meanwhile, members of Congress are pushing to provide even more generous relief to borrowers as part of a broad stimulus package now being negotiated to address the economic downturn stemming from the coronavirus outbreak.

That's good news for the 43 million Americans who owe roughly \$1.5 trillion in federal student loans. The typical family with student loan debt spends \$179 a month on payments, although doctors are usually spending much more due to their larger student loan balances.

Under the emergency declaration, interest accruals on certain federal student loans will be frozen. This means no further interest will accrue on certain federal student loans going forward. The student loan interest freeze, temporarily reducing the interest rate to 0% for at least 60 days, will be implemented automatically. While the freeze is temporary, it will continue indefinitely until the policy is changed.

This relief applies only to student loans "held by federal government agencies" such as the U.S. Department of Education and its contracted student loan servicers and to a portion of those made by private lenders and guaranteed by the government. However, loans made under the federal guarantee program that are held by commercial institutions don't qualify.

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