

STUDENT LOAN DEBT? THERE'S HELP!



FEDERAL FRESH START ACT

If you think you owe money on a past student loan and you haven't been making payments for nine months or more, **your loan may be in default**. If you have defaulted loans, your credit score will go down, you are unable to receive more federal financial aid, and the government can take money out of your paycheck and taxes to pay your loan bill.

Fresh Start is a program from the US Department of Education to get student loans **out of default**. It is recommended if you have less than 10 years left in your sentence. It only takes a short phone call to sign up, and no loan information is needed. Calls to this phone number have been allowed by DOC to last longer than the 15-minute limit for all other calls.

There is an entirely different process if you are or will be enrolled in a higher education program in your facility. Do not call to sign up! Your college program coordinator will help you!

This program expires August 31, 2024!

STEP-BY-STEP INSTRUCTIONS TO PARTICIPATE

1. Prepare for the call. Know your birth date, social security number, and address of the facility you are in.
2. Make the call! **Call 1-800-621-3115** Monday-Friday 7am-9pm or Saturday 7am-5pm. Calls take 6-10 minutes.
3. A short, recorded message will play. Just listen.
4. Choose English or Spanish to continue.
5. Enter your social security number *or* student loan number. Either works.
6. You will be transferred to a customer service assistant.
7. When they answer, **say "I'm incarcerated, and I want to get my loan out of default through Fresh Start."**
8. The customer service assistant will give you information about Fresh Start.
9. They will ask you to verify your account by asking information they have about you from when you got the loan: **your full name including middle name and any suffix such as Jr. or Sr. or III (they can be strict about this)**, date of birth, social security number, and address (**update your address by giving them your facility mailing address**).
10. They will read a consent statement and play a recording. They will then ask for your consent to send information to you by calling or texting. **Say: "No."** Saying no is fine because they will be sending the information by mail anyway.
11. They will ask you to listen to a 3-minute recording with more information about Fresh Start before helping you apply.
12. They will ask you if you want to be in an "Income Driven Repayment Plan (or IDR). **It is important that you say: "Yes."** If they don't ask you this after the recording, **you must say: "I want to be in an IDR plan."**
13. They will then ask if you filed taxes for the 2022 tax year. It's ok if you didn't. If you didn't, they may ask how much money you made. If you did, they will ask for other information such as your AGI (adjusted gross income). If you don't remember or know either of these, you can guess. Or you can tell them you were incarcerated or didn't work, and they will record zero for you.
14. They may ask other questions. If the answer is complicated for you or you don't know the answer, don't worry. You can give your best guess.
15. The assistant will enroll you in Fresh Start after these questions, and they will end the call.

AFTER THE CALL

After you are enrolled in Fresh Start, your loan will no longer be in default status and will be returned to "in repayment" status. **This means you will have to start making monthly payments again. But you will be able to enroll in a repayment plan for as little as \$0 per month.** That doesn't happen during this call. You will receive information by mail later to help you do that.

You will get two letters in the mail from the US Department of Education. First, a pre-transfer letter will let you know that they will be transferring you to a new loan servicer. The second letter will come 30-45 days later, letting you know that the transfer is complete.

After the call, you should be successfully enrolled in Fresh Start! Automatic benefits include immediate access to federal financial aid, stopped collections, improved credit score, and more!



FRESH START ACT FAQs (FREQUENTLY ASKED QUESTIONS)

Q. What is loan “default”?

A. A loan goes into default when you stop making payments for a certain period of time. Federal loans typically go into default after a payment hasn’t been made for at least 9 months. Default can lead to wage garnishment (money taken out of your paycheck), loss of future financial aid, loss of tax refunds or social security, lower credit score, debt collections, and court action.

Q. When should I call to ask for Fresh Start?

A. As soon as possible, but before August 31, 2024, when the program ends.

Q. Do I need to know information about my student loan before I call?

A. No. They will find your loan information in their system.

Q. What if I don’t know what kind of loan I have or if it’s in default?

A. Call anyway, and they will tell you if you have an eligible loan and if it’s in default.

Q. I’ve heard about a repayment plan called SAVE. Should I ask the customer service assistant about this?

A. No. The Saving on a Valuable Education (SAVE) plan is an excellent IDR plan that you will sign up for later. During the call, say only that you want to be in an IDR plan. Do not ask about SAVE during this call. If you do, the assistant will change the conversation away from Fresh Start. You don’t want that because you have to get signed up for Fresh Start first.

Q: How do I apply for the SAVE plan once I am enrolled in Fresh Start?

A: The paperwork that is sent to you will help in this process. You must complete the Fresh Start enrollment first.

Q. What if I have more than 10 years left on my sentence?

A. If your release date is more than 10 years from now, your loan may be forgiven (“discharged”), and you will never have to repay the loan. Important: If your loan is forgiven, you can’t get Pell Grants or other federal student aid unless you get your loan and payments restored.

Q: Can a DOC employee or one of my family members make the call for me?

A: No. Because the call involves private information, the customer service assistant can only talk to you.

Q. What if I need more help?

A. Try calling again to ask your questions to another customer service assistant. It’s likely another assistant will be able to answer your questions.