



Navigating the Restart of Student Loan Payments: Preparation, Tips, and Resources

As the world slowly returns to normal after the pandemic, one aspect that has caused anxiety for many Americans is the idea of student loan payments starting up again. Since March of 2020, federal student loan payments have been suspended, and interest has not been accruing. For many people, this was a financial relief, but now that it's coming to an end, we recommend preparing for what that means. In this article, we will answer what you need to know, how to prepare, and what to do if your payments put stress on your financial situation.

When Do Payments Begin?

Interest on student loans will resume September 1st, 2023, but your actual payment won't be due until October. The exact due dates are determined by the type of loan and lender. If you don't know when your exact due date is or how much to pay, reach out to your loan provider before October to avoid missing payments.

To make the transition easier, the Department of Education is implementing what's called a "repayment on-ramp". This is basically a year-long grace period in which borrowers who miss their payments will not be considered delinquent, in default, or be reported late to the credit

bureaus. Interest will continue to accrue, so if you are able to make your payments, it is highly recommended to begin making them when they're due in October because it can save you a lot of money on interest. This plan is meant to provide a 12-month transitional period where borrowers can come up with a plan of action if they can't afford their payments initially.

Preparing for the Restart

Update All Information:

Both your loan provider and the U.S. Department of Education will reach out to anyone with student loans ahead of time with information on resuming payments, so take a look at all contact information with both your loan provider and in your studentaid.gov profile and make sure everything is up to date.

During the pandemic, a lot of student loans were sold or taken over by different companies and many Americans no longer have the same student loan provider that they did prior to 2020. If you're uncertain whether your loan provider has changed or who your new provider is, there are two main ways to find this information:

- a. Visiting your account dashboard at studentaid.gov and scrolling to the "My Loan Servicers" section
- b. Calling the Federal Student Aid Information Center (FSAIC) at 1-(800)-433-3243

Review Loan Details:

Now is a great time to review the terms of your student loans. Look at your interest rates, payment amounts, and due dates. This knowledge will not only help in making the payments on time, but this step is also crucial in adding your payments into your monthly budget and planning accordingly.

Assess Your Budget:

This is also a good time to review your budget. Take a look and see how your monthly student loan payments will affect your financial standing. You may need to adjust your expenses to accommodate for them or look for resources if you think you will struggle making the payments. If you don't know where to start with your budget, reach out to NCCYou for a budgeting template or guidance.

What Resources Are Out There?

After more than 3 years of not having to make student loan payments, resuming payments once again is going to have a major strain on some borrower's budget. In fact, [The Consumer Financial Protection Bureau](#) (CFPB) expects at least 1 in 5 will be struggling to make their payments once the pause ends. If you have taken a look at your budget and just don't know how you will be able to make your payments, there are plenty of resources out there to help.

Seek Guidance:

Get in Contact with LSS: Lutheran Social Services (LSS) is a social service organization in Minnesota that has many resources for various financial situations. One of their most popular programs helps consumers navigate student loan debt. They can offer guidance on repayment and loan forgiveness options, help you get on an income-based repayment plan, and connect you to loan options such as consolidation. Learn more about how they can help here: [Student Loan Debt Counseling | LSS Financial Counseling \(lssmn.org\)](#)

Reach out to NCCYou: We know this is going to be a difficult time as student loan borrowers' transition to making payments once again, and we are here for you! If you need help in managing your budget, want to learn more about the different options available to you, or sit down to speak with a certified financial counselor, reach out at 218-279-3200 Option 8 or submit an inquiry on our website here: [FLi | Northern Communities Credit Union \(nccyou.com\)](#)

Explore Repayment Options: If you have several different student loans, you can always explore the benefits of consolidation. This can be much more convenient than making payments to each loan and could even lower your total monthly payments. Keep in mind that consolidating them can also have negative repercussions, such as if you have a lower interest rate or special payment plans with a certain provider, it might not be worth it. Talking to a professional may be helpful in determining what's right for you because they can walk you through if this would be a good option for you. You can also look at getting on an income-based repayment plan, which can help lower your payments if you're having trouble making them.

The restart of loan payments will put stress on many borrowers' financial situations. By preparing for the end of the payment pause, you can manage your student loans confidently. Remember that there are resources available to support you throughout this process.

Citations:

[Survey: Student Loan Borrowers Brace for Financial Uncertainty in Repayment | Student Loans and Advice | U.S. News \(usnews.com\)](#)

[How to Find Out Who Your Student Loan Servicer Is - CNET](#)

[When Are Student Loan Payments Restarting? Here's What Borrowers Need to Know \(cnet.com\)](#)

[COVID-19 Loan Payment Pause and 0% Interest | Federal Student Aid](#)

[Office of Research blog: Update on student loan borrowers during payment suspension | Consumer Financial Protection Bureau \(consumerfinance.gov\)](#)

[Biden's student loan 'on-ramp' explained: Missed payments won't hurt credit - MarketWatch](#)

[Student Loan Debt Counseling | LSS Financial Counseling \(lssmn.org\)](#)