

## Follow-Up Q&A : The Ins and Outs of Student Loan Basics

Below are general answers to questions we received during the webinar on January 29, 2026, that we were unable to address live.

**WARNING:** These responses are current as of **February 2026**. Due to ongoing regulatory changes, court decisions, and administrative updates affecting the federal student loan system, some information may change and could become outdated. Practitioners should verify current rules, deadlines, and eligibility requirements before advising borrowers.

For the most current guidance, please refer to:

- NCLC's Student Loan Borrower Assistance website, at [studentloanborrowerassistance.org](https://studentloanborrowerassistance.org), and NCLC's student loan news blog at [studentloanborrowerassistance.org/updates-news/latest-news/](https://studentloanborrowerassistance.org/updates-news/latest-news/)
- NCLC's student loan listserv. To join, visit [nclc.org/listservs](https://nclc.org/listservs).
- The U.S. Department of Education Federal Student Aid website at [studentaid.gov](https://studentaid.gov)

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### Is the studentaid.gov website being updated? One of my clients advised that there was a disclaimer that it was not.

Yes, [studentaid.gov](https://studentaid.gov) is regularly being updated. While we have not received recent reports of widespread disclaimers to the contrary, it is common for information on a borrower's account to lag behind real-time servicer data, especially due to servicer changes or transitions, litigation, or major policy changes. It's also possible that information on [studentaid.gov](https://studentaid.gov) may be incomplete or inconsistent for a given borrower, which is why it is always a good idea for borrowers to routinely take screenshots, print, or otherwise save data from their accounts, particularly related to their payment history. If errors appear or certain information is missing, they may be corrected, but it may be worth reaching out to the loan servicer to try to resolve the issue or filing a complaint with the Department of Education. Further escalation may be necessary if the issue is not resolved by the servicer or the Department—refer back to the slides for other steps that you can take when things go wrong. We'll discuss how to resolve more of these problems in our final webinar in October.

For more information on filing complaints, see:

- [studentloanborrowerassistance.org/for-borrowers/find-help/file-complaints/](https://studentloanborrowerassistance.org/for-borrowers/find-help/file-complaints/)
  - [protectborrowers.org/resource/protect-borrowers-congressional-casework-tool/](https://protectborrowers.org/resource/protect-borrowers-congressional-casework-tool/)
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## **Will the downloadable .txt file provide the same information as the studentaid.gov website?**

For the most part, the information on the .txt file should be the same as the majority of the information in the borrower's [studentaid.gov](https://studentaid.gov) account, but the .txt file may include more specific information about loan types and disbursement dates, as well as loan history that may be difficult to find on the borrower's online account. The .txt file generally has more granular loan-level data. Getting the .txt file can often make casework easier, as the information is generally provided in a single file rather than having to go through several webpages to collect it. Additionally, due to recent changes on [studentaid.gov](https://studentaid.gov), the .txt file may be the only place to find specific information about what types of loans a borrower has – this is key for borrowers who took out loans prior to 2018, as you will need to determine if they have any non-Direct Loans when evaluating their options. If some of the borrower's loan information is missing from the .txt file, you may need to file a complaint with the Department of Education to resolve it.

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## **What happens if your Servicer website does not match what's on studentaid.gov (specifically regarding repayment)? What might be going on there?**

This is unfortunately common and may be due to timing delays between systems, different treatment of pending payments, forbearances, or recalculations, court injunctions, policy changes, and servicer billing systems updates. As a best practice, borrowers should generally rely on the servicer's bill, report discrepancies to the servicer, and file complaints with the servicer, [state student loan ombudsman](#) (if available), or [Federal Student Aid ombudsman](#) if they persist.

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## **Is it correct that loans aren't transferred to Debt Resolution Group (DRG) until 360 days delinquent, and can the borrower still work with their other loan servicer until the transfer happens?**

Yes, this is generally correct based on how the Department and loan servicers have operated, though remember that the default occurs at 270 days. If the borrower hasn't made payments on their loans in more than 270 days, but their loans haven't yet been transferred to the Default Resolution Group (the loan servicer that manages defaulted loans held by the Department of Education), then there may still be a short window of opportunity for the borrower to ask their loan servicer to place them in a retroactive forbearance before their loan is transferred to a default servicer. We will discuss this more during our next training in February.

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### **Are private loans discharged upon death?**

This depends on the **loan contract**. Many private lenders do discharge upon death. Some require proof or only discharge the deceased borrower's obligation. Co-signers may still be liable depending on the terms. Always review the promissory note, and remember that state law regarding private student loans, contracts, and what happens to a person's debts when they die may apply. Consult with an attorney for specific questions.

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### **Loans not showing on a credit report (Credco) — how to handle this?**

It is very common for various credit reports to have missing or incorrect loan and debt information. And some older loans and debts may not appear on credit reports at all. As a general rule, credit reports are **not authoritative** for finding all student loan information. Refer back to the slide deck for tips on finding federal and private student loan information, and make sure to check [studentaid.gov](https://studentaid.gov), the borrower's online accounts with their individual servicers, and any records the borrower may have about their loans. For more information on credit reporting errors, visit [consumerfinance.gov/consumer-tools/credit-reports-and-scores/](https://consumerfinance.gov/consumer-tools/credit-reports-and-scores/).

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### **For the SAVE plan prior to August 1st, 2025, did the COVID forbearance and other payments/time prior to that count towards forgiveness?**

Yes. The COVID-19 payment pause, which ran from March 13, 2020 and ended on September 1, 2023, counts towards IDR and PSLF forgiveness under all of the IDR plans (ICR, PAYE, IBR, SAVE).

Generally, time in the SAVE plan *before* litigation caused ED to put SAVE borrowers in a forbearance in August 2024 counts towards PSLF and IDR forgiveness. However, time spent in the SAVE litigation forbearance **does not count** as qualifying time towards IDR or PSLF forgiveness. This means borrowers in the SAVE forbearance are not making progress towards IDR or PSLF loan cancellation. [Up-to-date about the SAVE plan is available here.](#)

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## **Does SAVE ending by July 2028 mean borrowers are safe until then?**

No. In a lawsuit challenging the SAVE plan, the Department agreed to settle the lawsuit by ending the SAVE plan. However, the court has not approved of that settlement agreement yet ([more information about the settlement is here](#)). Borrowers in the SAVE plan should be on the lookout for any notices or updates about changes to their plan. Borrowers in SAVE should also begin making a plan for [how to manage repayment](#) once the SAVE plan has officially ended.

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## **If a parent borrows AFTER July 1, can their current Parent PLUS loans that are in IDR stay on that plan?**

**No. This is a huge change!** If a parent takes out **any** new loan or consolidates any loan after July 1, 2026, their older Parent PLUS loans and any consolidation loans containing a Parent PLUS loan will no longer be eligible for IDR and will be transferred to the new tiered standard plan.

See more about the critical changes coming for Parent PLUS borrowers here: [studentloanborrowerassistance.org/do-you-have-parent-plus-loans-act-now-to-lower-your-payments-before-options-disappear/](https://studentloanborrowerassistance.org/do-you-have-parent-plus-loans-act-now-to-lower-your-payments-before-options-disappear/).

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## **Are there any circumstances where a Parent PLUS borrower should not consolidate? Or are we in a situation where the message can be clear and simple that every Parent PLUS borrower should consolidate ASAP?**

For most people with Parent PLUS Loans, preserving access to IDR in the future will be a good option. So, if a borrower has Parent PLUS loans that have not yet been consolidated into a Direct Consolidation Loan, they may want to consider applying to consolidate them before April 1, 2026, to preserve access to IDR options going forward. If they miss this deadline (and/or have any new loans disbursed after July 1, 2026) then their Parent PLUS Loans will only be eligible for

the Standard Repayment plan going forward, which is more expensive and does not include loan forgiveness. We recommend applying no later than April 1, 2026, as consolidation applications can take months to process, and the Department of Education has said that the new Direct Consolidation Loan must be disbursed by July 1, 2026, to maintain access to IDR. But every borrower's situation is different, and there are some downsides to consolidating loans.

See more about the critical changes coming for Parent PLUS borrowers here:

[studentloanborrowerassistance.org/do-you-have-parent-plus-loans-act-now-to-lower-your-payments-before-options-disappear/](https://studentloanborrowerassistance.org/do-you-have-parent-plus-loans-act-now-to-lower-your-payments-before-options-disappear/).

More information about the pros and cons of consolidating loans is here:

<https://studentloanborrowerassistance.org/for-borrowers/dealing-with-student-loan-debt/repaying-your-loans/consolidating-loans/>

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## **Will RAP be better than IBR?**

This really depends on the borrower's circumstances.

For some borrowers, IBR will be better than the RAP plan because it offers a shorter time to forgiveness (20 or 25 years, depending on when the borrower was a "new" borrower), and for some very low-income borrowers, there may be a \$0 monthly payment. Additionally, Parent PLUS borrowers are not eligible for RAP.

Some borrowers may benefit from the RAP plan, but this will depend on their individual situation. Like the SAVE plan, the RAP plan will waive any interest not covered by the borrower's monthly payment. Additionally, the RAP plan will reduce borrowers' principal by up to \$50 if their payments don't do so. Unlike the IBR plan, the RAP plan will only provide cancellation after 30 years of qualifying payments. RAP uses a different calculation for monthly payments than the other IDR plans--even borrowers well below the poverty line will need to make \$10 payments each month.

Details about the new plan are still being finalized, and we will cover this topic in more detail during our August webinar on repayment.

For more information about what we currently know about the RAP plan, see

[studentloanborrowerassistance.org/big-bill-means-big-changes-for-student-loan-borrowers-what-you-need-to-know/](https://studentloanborrowerassistance.org/big-bill-means-big-changes-for-student-loan-borrowers-what-you-need-to-know/).

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**How long does employment verification take to update for forgiveness? I have a client who has received the following message: "We continue to work on updating your PSLF payment counts, and during this time period, your payment counts may shift or appear incomplete. Check back for updates periodically." The client is 8 months short of 120 qualified payments. She is weighing how long to wait for it to fully update vs. doing the buyback from forbearance to ensure she receives forgiveness.**

There have been significant processing delays for some borrowers who have submitted their Employment Certification Forms for PSLF. Submitting these forms through the online PSLF Help Tool generally results in much faster processing, but not always. We will be discussing tips for resolving these issues during our webinar in May, but it may be worth filing a complaint and/or reaching out to the borrower's member of Congress for more help. For more information, see:

- [studentloanborrowerassistance.org/for-borrowers/dealing-with-student-loan-debt/loan-cancellation-forgiveness-bankruptcy/cancellation-forgiveness-options/pslf/](https://studentloanborrowerassistance.org/for-borrowers/dealing-with-student-loan-debt/loan-cancellation-forgiveness-bankruptcy/cancellation-forgiveness-options/pslf/), and
- [protectborrowers.org/resource/protect-borrowers-congressional-casework-tool/](https://protectborrowers.org/resource/protect-borrowers-congressional-casework-tool/).

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## **TPD and Parent PLUS — whose disability matters?**

[TPD eligibility is based strictly on the borrower's disability status](#). Only the loan holder's disability matters. If the parent borrower is disabled, they may qualify for TPD. If the student is disabled but the parent is not, then the parent borrower unfortunately can't get their loan discharged under the TPD program. However, if the student dies, the parent borrower may be able to obtain a [death discharge](#) of their Parent PLUS Loan. We will discuss eligibility for these programs at our webinar in May.

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## **Are forbearance/deferment options becoming less flexible after July 1, 2026?**

**Not quite-- forbearance and deferment options are only changing for loans disbursed after July 1, 2027.** These changes are a result of the Big Bill. These changes and rules are still being finalized in the Department's rulemaking process. For an overview of the coming changes, see [studentloanborrowerassistance.org/big-bill-means-big-changes-for-student-loan-borrowers-what-you-need-to-know/](https://studentloanborrowerassistance.org/big-bill-means-big-changes-for-student-loan-borrowers-what-you-need-to-know/).

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**With private loans, garnishment powers are more limited, though, right? Could there be select scenarios in which consolidating federal loans to private loans would actually be a strategically viable move? For example, someone on Social Security who cannot pay and wants to avoid garnishment of their Social Security benefits?**

Private lenders generally cannot garnish federal benefits and do have more limited collection powers than the federal government. However, **refinancing federal loans into private loans is almost never recommended**, even for Social Security recipients, because it permanently eliminates federal protections, removes discharge and IDR options (which many Social Security recipients are eligible for), and may lead to other financial consequences, such as being sued by private lenders to collect on the debt. Refinancing federal loans into private loans might only be considered in very narrow, informed scenarios, and even then with caution.

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**Can Parent Plus loans be included in bankruptcy, or does having more than one debt holder prevent that?**

Parent PLUS loans, like other federal and private student loans, may be dischargeable in bankruptcy. Bankruptcy discharges for student loan debt are still difficult and case-specific, so consult with a bankruptcy attorney who handles student loan debt for more advice.

To be clear, the parent borrower is the only borrower on a federal Parent PLUS Loan. The student is not liable for the loan.

If there are multiple borrowers on a loan, it is likely a private loan that a parent has co-signed for, not a federal Parent PLUS Loan. A cosigner can ask to have their private loan discharged in a bankruptcy case, but if granted, it will be discharged only against them, not the other borrower.

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**When applying for an IDR plan, how is household size determined? My household size doesn't match my dependent information on my last tax return.**

Repayment plans use **family household size**, not strictly IRS dependents.

From the [Department of Education](#):

*“When you first apply for any IDR plan, you’re given the opportunity to indicate the number of people who are part of your family size. For IDR calculations, your family size includes your children if they receive more than half of their support from you. You may count your child when determining your family size if you provide more than half of the child’s financial support, regardless of who claims the child for tax purposes or who has physical custody. If you don’t provide more than half of your child’s support, you may not include the child in your family size for IDR plan purposes.*

*When you provide consent to use your tax information for future autorecertification, the initial calculation provided to you will include only those individuals that were included on your most recent tax return. You will be provided an opportunity to update your family size with your servicer if your most recent tax return does not include individuals that can otherwise be included in your family size for IDR calculations.”*

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**I’m working with someone whose loan status is still reporting as under the SAVE plan on a \$0 monthly payment (per [studentaid.gov](http://studentaid.gov)). The person is facing financial hardship, so they are glad to keep payments at \$0 for the time being.**

Because of pending court cases, borrowers who are still enrolled in the SAVE plan are in a forbearance, which means they are not currently required to make any payments on their loans. However, their loans are accruing interest again, as of August 1, 2025, and time on the SAVE forbearance does not count toward PSLF or IDR loan forgiveness.

Additionally, the SAVE plan is ending. In the lawsuit challenging the SAVE plan, ED agreed that it would end the SAVE plan-- however, the court has not yet approved that settlement agreement. Borrowers on the SAVE plan can switch out of the SAVE plan now and should consider doing so if they want to continue earning credit for PSLF or IDR loan forgiveness. Borrowers facing financial hardships may be better off waiting until the SAVE plan ends before switching to a new plan, but they should still be ready for the SAVE plan to end and consider other IDR options that may also keep their payments at \$0 per month. Note that on the new RAP plan, the minimum payment amount will be \$10 per month.

For more information on the settlement agreement filed in the court cases challenging the SAVE plan, visit [studentloanborrowerassistance.org/with-new-settlement-save-plan-may-be-ending-soon/](http://studentloanborrowerassistance.org/with-new-settlement-save-plan-may-be-ending-soon/).

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**Someone I work with has a bunch of Parent Plus loans (co-borrowing with a child), but they claim they did not consent to any of the loans except the original loan. They have loans for all 4 years of studies, but they only agreed to do the first year. They suspect fraud is at play, but that is outside the scope of my services. Are there legal resources you would recommend for student loan issues such as this?**

Remember, federal Parent PLUS Loans are only taken out by the parent—the student is not the borrower and is not legally liable for the loan. However, a parent may have co-signed on a student’s private student loan. In either case, if the parent didn’t consent or wasn’t aware of these loans and suspects fraud, they may be able to take steps to fight the debt. For federal loans, there are [cancellation and discharge programs](#) that a borrower can apply for if a loan was taken out in their name without their approval or consent. In private student loan cases, borrowers may also be able to raise fraud and identity theft claims. These cases are complicated and typically require legal help.

Refer to our website for more information on finding legal assistance for these cases: [studentloanborrowerassistance.org/for-borrowers/find-help/help-with-your-student-loans/](https://studentloanborrowerassistance.org/for-borrowers/find-help/help-with-your-student-loans/).

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**I have a client who earned their forgiveness in June 2023 (they made their 120 payments). In August of 2025, a new student loan popped up on their credit report, but they did not open any new loans. They disputed it, then it started showing as closed on their credit report, but it still shows as open and in default on [studentaid.gov](https://studentaid.gov).**

This likely requires more investigation, as it could be that not all of the borrower’s outstanding loans were forgiven in the original PSLF application. Remember, only Direct Loans are eligible for PSLF—Perkins Loans and FFEL loans are not eligible unless first consolidated into a Direct Consolidation Loan. Additionally, if a borrower takes out multiple loans at different times, their loans may become eligible for loan forgiveness at different times. There could be other reasons why this is happening as well. You should first review the loan history and forgiveness records to ensure you understand what occurred, and you may consider helping the borrower file a [complaint with the Department of Education](#) and/or their [state student loan ombudsman](#) if an error truly occurred. If this is not an error and the loan is truly in default, addressing the default should be a top priority, as the borrower could face future collection consequences if they ignore it.

Depending on what you learn during additional investigation, this scenario may warrant additional legal assistance as well. Refer to our website for more information on finding legal assistance:

[studentloanborrowerassistance.org/for-borrowers/find-help/help-with-your-student-loans/](https://studentloanborrowerassistance.org/for-borrowers/find-help/help-with-your-student-loans/).