

COVID-19 Assistance for Students

Alabamians and others throughout the country are struggling as a result of the coronavirus, or COVID-19. Congress passed a series of relief bills to give direct assistance to students, borrowers, and millions of Americans and mitigate the health and economic damage caused by the pandemic. Provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act help current and former students by suspending restrictive rules with federal financial aid including loans, grants, and work-study and canceling student loans payments for six months. Below is a guide for all the benefits students may be eligible for a result of the CARES Act:

Emergency Financial Aid Grants

- Colleges and universities are able to provide emergency financial aid grants to assist undergraduate or graduate students for unexpected expenses and unmet financial need as a result of COVID-19. The funding comes from the Federal Supplemental Educational Opportunity Grants (FSEOG) program.
- Additionally, colleges will be able to use existing funds they have from the Federal Supplemental Educational Opportunity Grant (FSEOG) program as emergency financial aid.

Federal Work-Study Program

- Colleges and universities that participate in the Federal Work-Study (FWS) program are able to make payments to affected work-study students for the amount of time students are unable to fulfill the work-study obligation for all or part of the academic year.

Subsidized Loan Usage Limits

- Under current law, student borrowers are only allowed to take out Subsidized Loans for a certain length of time. Due to COVID-19, the Department of Education will exclude from this time limit any semester (or equivalent) that the student had to withdraw before completing.

COVID-19 Assistance for Students

Pell Grant

- Under current law, eligible students are only able to use Pell Grant funds for 12 semesters (or the equivalent, for part-time students). For Pell Grant recipients who have dropped out of school as a result of COVID-19, the Department of Education will exclude the term from this 12 semester limit. Recipients will also not be required to return grant funds to the college or university if they withdrew early.
- The grades of students who drop out of school as a result of COVID-19 will not affect a student's academic requirements to receive federal financial aid, including Pell Grants, work-study, or student loans.

Partial Federal Loan Cancellation for a Term

- Students with Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS loans, or Consolidation Loans who have to drop out due to COVID-19 will have their obligation to repay the loan issued for that term canceled (i.e. one semester's worth of a loan).

Temporary Relief for Federal Students Loans

- Student borrowers with Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS loans, Consolidation Loans, or Federal Family Education Loans (FFEL) will have all payments suspended through September 30, 2020. During this time, interest will not accrue on these loans. Student borrowers do have the option to make payments directly towards their principal balance during this relief period.
- If you are in a loan forgiveness program (such as Public Service Loan Forgiveness) or loan rehabilitation program, the time your payments are suspended will still count toward forgiveness or progress rehabilitating a loan.
- The U.S. Department of Education is required to notify all borrowers regarding the temporary suspension of their loan payments or collections. Students will begin receiving notices in August that normal bills will resume at the end of September. At that time, student borrowers will also be alerted to other relief options like income-driven repayment, which can have payment amounts as low as \$0.



COVID-19 Assistance for Students

Involuntary Loan Collection

- During the payment suspension period, the Department of Education will stop all involuntary collection of Federal loans, including garnishing wages, tax refunds, and Social Security payments.

TEACH Grants and Teacher Loan Forgiveness

- If a teacher could not complete a full year of teaching due to COVID-19, their partial year of service will be counted as a full year of service toward TEACH Grant or Teacher Loan Forgiveness obligations.
- The requirement that teachers must serve consecutively to be eligible for Teacher Loan Forgiveness will be waived if a teacher's service is interrupted by COVID-19.