



How to Avoid Delinquency and Defaulting on Your Student Loans

We're here to help educate you on how to make sound financial decisions and stay away from delinquency and default.

What Is Delinquency?

Your student loan status will become delinquent if your monthly payment is not received by the due date.

What Is Default?

If your loan becomes 270 days past due, you are in default on your federal student loan. Default is very serious, and the consequences include being reported to the credit bureaus, which can result in difficulty borrowing money to purchase a car or house.

What Are the Consequences of Default?

Default is serious – that's why we'll do everything we can to help you keep your account current. Consequences for having an account status in default are:

- The entire unpaid balance amount of your loan, including accrued interest and late fees¹, will become immediately due and payable unless payments are postponed with a deferment or forbearance; consult your student loan servicer for available options.
- Your default will be reported to all national credit bureaus.
- Legal action can be taken against you, and you could be responsible for all attorney fees and court costs.
- A collection agency can be hired to collect the loan balance.
- You will be responsible for paying collection costs.
- Your wages can be withheld (garnished) to pay the loan balance.
- Your federal and state tax refunds can be withheld to pay the loan balance.
- You will not be eligible for any other federal financial aid.
- If your profession requires a license to practice, you can be denied renewal of your professional license until you have made satisfactory arrangements to repay your loan.

Avoid Delinquency and Default

Communicating with your servicer is the key to avoiding delinquency and default. Many options are available that can lower or postpone your student loan payments. Stay in touch with your loan servicer – let them know if you've changed your contact information, and make sure that they know when you've completed your educational program or transferred to another school.

To verify which servicers provide customer service for your federal student loans, visit NSLDS.ed.gov. You will need your FSA ID to access the site; you can get a copy of your ID online at FSAID.ed.gov. Fill in the lines below to conveniently store your servicer information.

Servicer 1

Name: _____

Phone: _____

Website: _____

Servicer 2

Name: _____

Phone: _____

Website: _____

Servicer 3

Name: _____

Phone: _____

Website: _____

¹The U.S. Department of Education does not assess late fees.