

THE EVER-CHANGING STUDENT LOAN LANDSCAPE



AccessLex Spring Sync **Workshop**

[#AccessLexSpringSync2025](#)

Introductions



Derek Brainard, MBA, CFP®

AccessLex Center for Education and
Financial Capability®

Director – Financial Education



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Introductions



Leah Young, AFC®

AccessLex Center for Education and
Financial Capability®

Regional Director – Northeast



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Agenda

- Review of current loans, repayment plans, and programs
- Review of policy and potential changes
- Financial impacts
- Student loan coaching resources



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CURRENT LOANS, REPAYMENT PLANS, AND PROGRAMS

Current Student Loan Options

| | FEDERAL DIRECT UNSUBSIDIZED | FEDERAL DIRECT GRAD PLUS | PRIVATE LOANS |
|-----------------------------|---|---|--|
| APPLICATION | FAFSA | FAFSA and credit check | Lender application |
| BORROWING LIMIT | \$20,500/year \$138,500 aggregate | Up to cost of attendance (COA) minus other aid No aggregate | Annual limits set by lender up to COA |
| INTEREST RATE (7/1/2025) | 7.942% | 8.942% | Depends on credit |
| REPAYMENT OPTIONS | Many options — including income-driven plans | Many options — including income-driven plans | Varies |
| FORGIVENESS OPTIONS | Yes | Yes | No |



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Current Repayment Plan Options **Fixed-Payment**

Standard Repayment
Graduated Repayment
Extended Repayment

NOTE: *Standard is the default plan.*



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Current Repayment Plan Options **Income-Driven**

Income-Based Repayment (IBR) Plan

Pay as You Earn (PAYE) Plan*

Income-Contingent Repayment (ICR) Plan*

Saving on a Valuable Education (SAVE) Plan**

** Features of these plans have been enjoined to the SAVE Injunction.*

*** Implementation of this plan is paused due to an injunction.*



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Monthly Payment Calculation



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Public Service Loan Forgiveness (PSLF)

- + Eligible loans
 - + Eligible repayment plan
 - + Eligible employment
 - + Eligible payments (120)
-

= **Public Service
Loan Forgiveness**



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RECENT UPDATES AND POTENTIAL CHANGES

Policy and **Potential Changes**

- Recent guidance
- Budget reconciliation
- Executive orders
- Negotiated rulemaking
- Default collections
- What's next



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Recent Updates

- Income-Driven Repayment (IDR) Plan Request Form available (March 2025) and starting to process.
- Borrowers who enrolled in or applied for SAVE Plan remain in forbearance.
- Those enrolled in SAVE who want to make qualifying payments for PSLF would need to switch to a currently available eligible IDR plan.
- Clarity on IDR recertification impacts.



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House Budget **Reconciliation Proposals**

- Elimination of Subsidized and Grad PLUS Loans, July 2026.
- New annual and aggregate borrowing limits.
- Tiered standard repayment terms.
- A new Repayment Assistance Plan (RAP).
- Terminates economic hardship and unemployment deferments.
- Medical and dental residencies no longer qualifying for PSLF (July 2025).



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Executive Orders

PSLF Qualified Employers

- Limit which employers are eligible for PSLF
- Regulatory process
- Nothing is changing now

Close Education Dept.

- Requires act of Congress
- Recent RIF and cancelling of grants
- Move student aid to SBA?

Negotiated **Rulemaking**

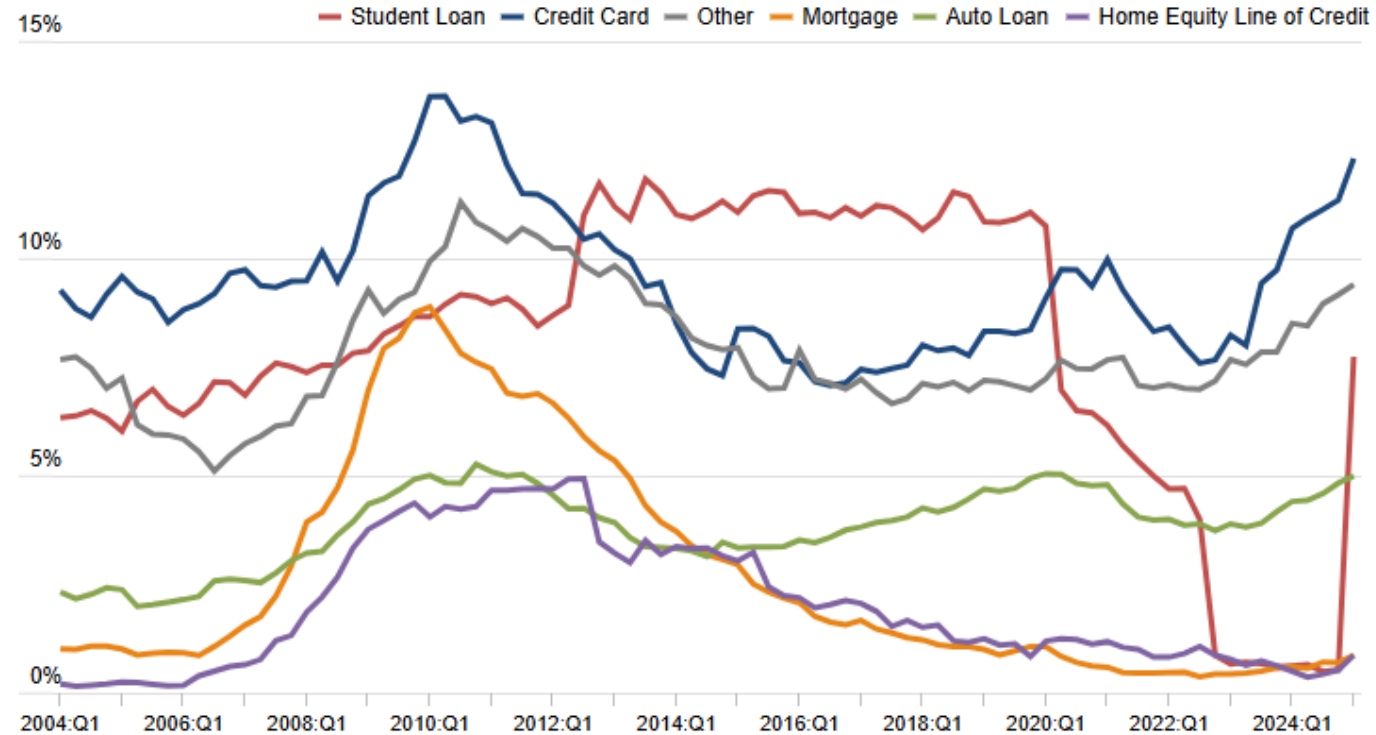
- PSLF-qualifying employer
- Pay As You Earn (PAYE)
- Income-Contingent Repayment (ICR)
- Other topics to streamline financial aid program



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Delinquency/Default Resumption

Percent of Balance 90+ Days Delinquent



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FINANCIAL IMPACTS

What We Are **Hearing** from Borrowers

- Considerations for switching IDR plans
- PSLF program questions
- PSLF buyback questions
- Processing lags; communication and billing issues
- Grad PLUS concerns
- Consolidation guidance



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Financial Impacts of **IDR/PSLF** Disruptions

- Debt-to-income (DTI) ratios
- Family planning
- Career decisions
- Loans for longer
- Higher delinquencies and defaults
- Few public servants
- PSLF tracking



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Financial Impacts of **Grad PLUS** Disruptions

- Dependency on private loans
- Less access with more stringent loan requirements
- Lower program enrollment with borrowing caps and lack of access to other loans
- Higher DTI ratios post-graduation
- Less favorable plans and terms



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STUDENT LOAN COACHING RESOURCES

Coaching Resources

Federal Loan
Repayment
Plans



StudentAid.gov



AccessLex
Advocacy
Toolkit



AccessConnex
Financial
Coaching



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Join Us for a **Free Webinar!**



Navigating Recent Updates to Student Loan Repayment and Forgiveness

Thursday, June 5 at 12:00 pm ET



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AccessConnex by AccessLexSM

A FREE STUDENT LOAN HELPLINE

FREE on-demand, one-on-one financial aid and loan repayment counseling to aspiring and current law students, and graduates.



SCHEDULE A MEETING: AccessLex.org/AccessConnex



QUESTIONS?