

Student Loan Delinquency and Default

Loans must be repaid.

[Understanding Delinquency](#)

If you've missed a payment or are having trouble making payments, immediately contact and discuss options with the organization that handles billing and other services for your [loan](#) to avoid defaulting on your loan.

- For the William D. Ford Federal [Direct Loan](#) Program or the Federal Family Education Loan Program, contact your [loan servicer](#).
- For the [Federal Perkins Loan](#) Program, contact the school where you received the loan for details. If you know that your Perkins Loan has been assigned to the U.S. Department of Education, contact the [ECSE Federal Perkins Loan Servicer](#) [↗](#).

If you don't know who your [loan servicer](#) is, call the [Federal Student Aid](#) Information Center (FSAIC) at 1-800-433-3243.

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Temporary 0% Interest and Stopped Collections Extended Through May 1, 2022

On Dec. 22, 2021, the U.S. Department of Education (ED) extended COVID-19 emergency relief for student loans through May 1, 2022. The emergency relief includes the following measures for eligible loans:

- a suspension of loan payments
- a 0% interest rate
- stopped collections on defaulted loans

Have questions? Find out what loans qualify and get additional information about the [COVID-19 emergency relief for student loans](#).

Understanding Delinquency

It's important to pay the amount shown on your bill—and to pay by the due date.

The **first day** after you miss a student loan payment, your loan becomes past due, or [delinquent](#). Your loan account remains delinquent until you repay the past due amount or make other arrangements, such as [deferment or forbearance](#), or changing repayment plans.

If you are delinquent on your student loan payment for 90 days or more, your loan se major national credit bureaus. If you continue to be delinquent, your loan can risk go payments—defaulting on your loan can have serious consequences. Learn more on [h](#)

Note: Credit bureaus may be called "consumer reporting agencies" on the [promissory](#)

If you have a poor credit rating, it can be difficult for you to obtain

- credit cards,
- home or car loans, or
- other forms of consumer credit.

Note: You may also be charged a higher [interest rate](#) than someone with a good credit rating.

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You also may have trouble

- signing up for utilities,
- getting homeowner's insurance,
- getting a cell phone plan, or
- getting approval to rent an apartment (credit checks usually are required for renters).

Understanding Default

If your loan continues to be delinquent, the loan may go into default. The point when a loan is considered to be in default varies depending on the type of loan you received.

For a loan made under the William D. Ford Federal Direct Loan Program or the Federal Family Education Loan Program, you're considered to be in default if you don't make your scheduled student loan payments for at least 270 days.

For a loan made under the Federal Perkins Loan Program, the holder of the loan may declare the loan to be in default if you don't make your scheduled payment by the due date. [Find out where to go for information about your Perkins Loan.](#)

If you defaulted on any of your federal student loans, contact the organization that notified you of the default as soon as possible so you can explain your situation fully and discuss your options. If you make repayment arrangements soon enough after your loan has gone into default, you may be able to resolve the default quickly. [Learn more about getting out of default.](#)

Consequences of Default

The consequences of defaulting can not only impact your ability to borrow but can impact your finances as well. Consequences include the following:

- The entire unpaid balance of your loan and any **interest** you owe becomes immediately due (this is called "**acceleration**").
- You can no longer receive **deferment** or **forbearance**, and you lose eligibility for other benefits, such as the ability to choose a repayment plan.
- You lose eligibility for additional federal student aid.
- The default is reported to credit bureaus, damaging your credit rating and affecting your ability to buy a car or house or to get a credit card.
- It may take years to reestablish a good credit record.
- You may not be able to purchase or sell assets such as real estate.
- Your tax refunds and federal benefit payments may be withheld and applied toward repayment of your defaulted loan (this is called "**Treasury offset**").
- [Your wages may be garnished](#). This means your employer may be required to withhold a portion of your pay and send it to your **loan holder** to repay your defaulted loan.
- Your loan holder can take you to court.
- You may be charged court costs, collection fees, attorney's fees, and other costs a
- If your school withholds your official transcript, upon your request the school might be accepted by another institution. If you are struggling to get your transcript, [contact the Consumer Financial Protection Bureau](#).

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If You Are Delinquent or In Default, Your Loan Servicer Can Help

If you're having trouble making payments or are concerned about the status of your **federal student loan(s)**, you have options available to you.

Contact your [loan servicer](#) to discuss how to get back on track with payments. There are several affordable repayment options that you may be able to take advantage of to continue making loan payments even when times are tough.



My Loan Was Mistakenly Put in Default

If you believe your loan has been placed in default by mistake, here's what you can do to correct the error.

I'm in school at least half-time and should have received an in-school deferment.



I was approved for deferment or forbearance.



I've made my payments on time.



Defaulted Federal Loan Servicer

MAXIMUS Federal Services, Inc., is the loan servicer for defaulted federal student loans over 360 days delinquent.

Additional Links

[Avoiding Default](#)

[Getting Out of Default](#)

[Collections](#)

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