Student Loan Payment and Options

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[00:00:36] So. Right now I'm going to hand it over to Tony Leahy the executive director of Sens. He's also the chair of the Outreach and Education Committee of the Washington State Attorney Generals Student Loan group. So these slogans. Thank you

[00:00:58] So much for coming to this. Thanks for having us and thanks to our panelists for this event. We're really pleased to be here today.

[00:01:04] And then we just gave one of these last night in Spokane and Denise for the last year.

[00:01:13] Washington's long work with Washington turns came around this issue because we recognize this is a contemporary problem student loan debt.

[00:01:21] Prior generations did not have to go through this just to get altercations so we recognize that this is an epidemic. Can you gather to help people better manage their sleep. So that's why we're here.

[00:01:34] This DuPont group has actually three committees. One is legislation advocate for legislation that can help student loan borrowers. There's litigation committee that monitors mitigation across the country that impacts on borrowers and there's outreach and is what we are to provide that's for the public to help people prevent and or ourselves. So so how was the program today. We will give it they will give a presentation and then depending on how many attorneys we have made you a short question answer and then you also speak with an attorney a one on one about any individualized question.

[00:02:16] So for past interviews themselves.

[00:02:26] Just to put the member of the United Nations provides free of charge to help us help us.

[00:02:38] And also good.

[00:02:48] Good afternoon.

[00:02:48] My name is Julia Kellis and I'm a staff attorney at Northwest Justice Project Seattle office Northwest Justice Project is a statewide civil legal services organization that provides free civil legal services to low income people across the state. Out of 13 offices I run a debt collection clinic here in King County at the King County Courthouse. Every week it's a weekly walk in clinic in the King County Law Library one to three on Tuesdays at which part of the kinds of debt we deal with our student loan debt. So glad to be here today with my co presenters and introduce themselves.

[00:03:26] If I knew him a private attorney here in Seattle and I've been doing student loan work with individuals for quite a few years now and I really recognize that there's a lack of information and it's hard for people to navigate their way through that option. So my goal here today is to send everybody out with the tools you need to find a strategy that's going to improve your situation.

[00:03:48] And last and probably least my name is Benjamin Rush. I'm an assistant attorney general with the Washington State Attorney General's Office. Student loans are obviously a big concern for a lot of Washingtonians and they're a big focus of what we're doing particularly in the Consumer Protection Division. So we'll be talking a little bit later about some of the legislative initiatives that we've had success with and then some of the work that we do around student loan servicing and some scammers who try to prey on folks particularly with federal student loans.

[00:04:23] So to get started we just want to let you know I'll be showing you some resources where 99 percent of this information that we're going to present to you today comes from. And it's really important. I don't commit any of this stuff to memory because it changes so much. So we just want to say the information is current in what we're presenting today. As of today the forms the policies the laws change. So it's really important to go to the reliables. Resources will tell you about to make sure you're getting up to date information on the programs and policies. We'll talk about today.

[00:04:58] So I'm sure you've all read in terms of the amount of debt out there it's pretty staggering one point four trillion in outstanding student loan debt in the U.S. in King County alone about 15 percent of the population has student debt and the average balance in King County is eighteen thousand four hundred thirty seven dollars.

[00:05:22] My favorite resource written for non attorneys I use it all the time is w w w out student loan borrower assistance dot org. It's a really long name but it's the agency of student loans. What type of loans to look out for to take out pros cons all the way into what happens if you get in default what your rights and remedies are with private and federal loans. If English isn't your first language there's a click at the bottom of the home page to click it into several different languages.

[00:05:58] Julia it looks like this is my fault. I think did I fail to put in student loan borrowers. Is that correct.

[00:06:04] So it should be student loan borrowers distance not student borrowers and students we're both responsible for these materials so student loan borrower assistance gets maintained by the National Consumer Law Center which is a consumer advocacy organization. Tons of click through to the federal forms and explanations about the different types of programs pro con list. It's great. Our Washington state Attorney General's Office has the really helpful student loan survival guide at this website. And obviously the US Department of Education has its own Web site at which the forms are available. So in general there are two types of loans federal and private federal loans you may have heard or you may have something called a Federal Family Education Loan or fearful that's a type of federal loan that was phased out by 2010. Another type of federal loan are called direct loans. They were phased in starting in 2007. There are several types Stafford plus Perkins loans and over 80 percent of the loans out there are federal loans and a for federal loans have lower interest rates as compared with private loans. They have an array of repayment and discharge options that private loans don't have.

[00:07:34] So. The downside to federal loans is that the federal government has vast collection powers that it can use to repay itself should you go into default. But in general when folks come to me with federal loans my clients there's a lot I can do for them because of the array of options available on repayment and getting out of default. So private loans are made by a private bank or other lender they might be sold securitized or kept by the lender. Sounds a lot like the mortgage market which it does look like. And the different options and federal loans in general private loans have higher interest rates. They have few if any repayment or discharge options should you become unemployed or disabled. The benefit of private loans is there is a statute of limitations associated with them federal loans have no statute of limitations so they collection can last a really long time. Both are presumed non dischargeable in bankruptcy but Latifa will explain how in some circumstances they might be and generally tell people to try and get federal loans first if they can.

[00:08:46] You know I thought I'd do something different for the purposes of our talk today and see what we have out here. I'm going ask a survey there for answers you here primarily to find out about federal loans primarily because of private loans both or I have no idea how many people think they have federal loans and private both no idea which is a totally legitimate answer.

[00:09:11] I see that a lot.

[00:09:12] We've got a good mix takes so direct loans funded by the Federal Department of Education or DOJ as you might see in some of these slides. The fee for loans the Federal Family Education Loans are funded by private lenders backed by the federal government and paid by guaranty agencies if the borrower defaults. Federal loans are managed by four different servicers Naveen is the largest and we'll hear about a lawsuit that the attorney general's office brought against Navigant for some abuses they were seeing in this market Fed Loan Servicing Great Lakes and Nelnet or the others. And then after default the debt is sent to debt collectors the federal government uses private debt collectors to collect on their loans as well as private lenders. So really important to determine what type of loan you have when someone comes to me to be able to advise them as to what their rights and remedies are and need to know what type of federal loans you can find out what types of federal loans you have through something called the National Student Loan database. And. Yes there's a website you can go to or you can call the number. The loan summary gives you a good idea of the federal loans that are out there with you or a particular borrower. Unfortunately in contrast private loans there is no central database. You can check your credit report and you can do that for free through annual credit report dot com. You can check mailed statements. One thing to note about the credit report some older loans may not be on there. If you have a co-sign for that may indicate a private loan as well. You could contact your lender a loan holder to find out how many and how much they claim that you owe on a private loans and when your last payment was made.

[00:11:09] There are ways of figuring out statue of limitations. Exactly. Good point. OK. Right.

[00:11:15] So here's a quick roadmap of what we'll be talking about regarding federal loans since that's what most of us are dealing with here. We'll talk about finding an affordable payment plan because that's step one in you know moving forward with your loans taking advantage of loan forgiveness to specific payment plans and programs default. What happens when you're in default and why default is not advisable. With respect to federal loans. And then finally we'll delve into administrative options for loan forgiveness dealing with situations that arise over the course of repayment. And they're pretty powerful and definitely worth knowing more about. So I'm going to talk about what we call income driven repayment or IDR and that's an umbrella term that means any of the ways you can find an affordable payment that's pegged to your household income. So a client comes in to me and says I'm getting bills on my federal loans and they want two thousand dollars a month and I can't pay 2000 dollars a month. So this conversation we have is how do we get you into a payment plan that's acceptable at the Department of Education that you can handle. So IDR payments income driven payments are calculated based on the household taxable income or your taxable income generally excluding public benefits. The payment plans provide prepayments at between 10 and 20 percent of your discretionary income and depending on which of the poor payment plans you end up in loan forgiveness is set to occur after 20 to 25 years of qualifying IDR payments when talk about the four IDR payment plans and then when we use the term IDR refer to olivine generally there's one that's for new borrowers called Pay As You Earn that's 10 percent of discretionary income. Revised pay as you earn is 10 percent of discretionary income and that's available for anyone with direct loans. And you'll you'll recall that direct loans are the ones that were phased in between 2007 and 2010. So this is going to be those newer bundles of loans.

[00:13:17] You want to explain what discretionary income is discretionary income generally refers to net income as opposed to gross income which is your gross before taxes are taken out.

[00:13:28] So yeah. So it's a formula you put in your numbers prove your income and then a payment gets spit out IBNR is a payment plan that's been around for quite a long time. Income Based Repayment that's 15 percent of discretionary income. It's a variable. If you have the older kind of loans or the new loans so regardless of how long you've been carrying your loans with you and it's a little bit special because you can take your spouse's income off the table in most situations if you're a borrower with low income and you're married to somebody with higher income and you don't want that counted for the purposes of finding that payment IBRD is the pathway to do that. Making talk more about that coming up. And finally ICR is the least favorable its income contingent repayment and it's 20 percent of discretionary income. The only people end up the only reason people who end up doing ICR do is because they're in Parent PLUS loans. So it's folks who took out loans federal loans to send their kids to college.

[00:14:29] This is the payment plan that is available to them.

[00:14:33] So what you need to know about the IDR programs are once you're in your program you'll get your payment. And every year you need to recertify into that payment plan by filling out a firearm signing it off sending it in along with your proof of income which will generally be your most recently filed tax return or if that's not an accurate representation of your current income you can send in other proof probably your pay summaries 60 days pay summaries. Something to keep in mind is if you're getting into a very low IDR payment plan you might not even touch the balance of your loan. You will not be paying down your loan. And so you're going to be looking at this as a management strategy to avoid default and get on track for eventual loan forgiveness way in the future. So sometimes people say hey I'm not how am I going to pay my loan off if if my payment is 50 dollars a month. Well you're not it's just kind of a refocus. As currently written the IDR loan forgiveness event is a taxable event. So 20 years down the road when you get your loan forgiveness if Congress doesn't do something between now and then there could be tax consequences and so I'm telling people if you need to do this for the purposes of your budget keep in mind that maybe in 15 years you want to revisit that and talk to a tax specialist about how to how to deal with that event. And as I mentioned the income of your spouse can be taken off the table and that's going to be if you're in IVR or ICR and you have to do married filing separately tax filing status and once you do that you can take spouses income off the table for the purposes of your calculation.

[00:16:16] And finally as I mentioned Parent PLUS loans are limited to the income contingent repayment plan which is less favorable. But there it is if if it's the best you've got you still need to know how to navigate into that. So we're going to jump right into public service loan forgiveness because it's a program that people very frequently want to understand better. It provides for furl as it's currently written for loan forgiveness for people who work in qualifying jobs after 10 years. And it's a tax free forgiveness. So it is a fairly narrow chute you need to make sure that all the factors are in line to get you on track for loan forgiveness. I want to go into that they're going to keep in mind there are three main qualifying things they have to all happen at once to get on track for public service loan forgiveness. First you're going to make sure you have the correct kind of loans. Those are direct loans and as you recall those are the newer ones. So if you graduated before about 2007 currently there may not have the right kind of loans. You want to go to the NSA. Yes. Make sure you understand that and if you don't have the right kind of loans you can consolidate into direct loans to get on track for public service loan forgiveness you need to have the correct kind of payments and that's generally the IDR plan payments.

[00:17:37] IB our ICR revised pay as you earn and pay as you earn. So one of those four or the 10 year qualifying standard repayment payments. And finally the correct kind of employment and that's going to be any public sector employment. So city state county tribal federal whatever. That's all qualifying government employment or nonprofit 501 c3 employment. Or there's the third category called other nonprofit employers so that's a little bit poorly defined and there has been some controversy about what jobs are in or out based on that third category. So just putting out there that it's something you want to run to ground if you're sort of around the fringe of what might be qualifying employment and the great thing about public service loan forgiveness is once you get all three of those things in place for 120 on time payments. That's a total of 10 years not necessarily continuous. So you do five years. Take a break. Five more years that works. You get tax free forgiveness the first forgiveness was set to come down in late 2017. And I have been able to ascertain that there has been a trickle of forgiveness going on. So while it's not a tidal wave you know there's not loan forgiveness raining down. There have been loans forgiven.

[00:18:55] So that indicates the Department of Education is letting this go forward. Yes.

[00:19:14] And so you want to go with the regulations and read what that full time. Full time employment regulations which I believe is 30 hours a week is it not.

[00:19:25] So if you are working a 20 hour week job. Go see what that minimum is and find out whether you can get into that. It's a great point. Full time employment and ontime payments.

[00:19:39] You know I'm not sure. Know I don't know would want to look into them into regulations and if you're interested you can follow up with me. I'm happy. That's a really interesting. So the question was What if you have two part time jobs two 20 hour week jobs for instance and so you're working full time in qualifying employment maybe. I don't know. Let's find out do feel free to follow up with me. So if you're at that point where you think you might be ready to seek forgiveness even if you haven't done any paperwork up to now but you can prove you've done enough qualifying employment. Because if I'm online to download have your employer sign and start the process toward loan forgiveness. If you're still at the beginning of that 120 month cycle you can get in the pipeline by having your employer fill out a certification. Now you'll submit that and then that sort of just lets the federal government your servicer be on notice that you are on track for this program. And I do recommend that if you have qualifying employment just go ahead and get the ball rolling on that. Well Julia recommends the student loan borrower assistance website. I often just go straight to the Department of Education's website and you'll just google in public service loan forgiveness Department of Education. You might have to dig a little bit. But it's it's there once you just keep clicking.

[00:21:01] Yeah.

[00:21:15] So if you have the right kind of role and so when. OK is there a cutoff here and so I think that means are there going to be temporal issues. All it needs to be is one thing to keep in mind is if you've been out of school for a long time you may not have the right kind of loans. So that's one thing that where your your your education your years of education might not dovetail with loan forgiveness.

[00:21:37] But once you've got the correct kind of loans even if you've consolidated into it it doesn't matter what the timeline is of your education and you just need to be have done the employment while you have the right kind of loans and you're making the right kind of payments that makes sense. And the way the forgiveness is happening they want to see you still employed in qualifying employment when you seek the forgiveness event. So you get your 10 years in stay employed. You know don't go take that Amazon job.

[00:22:07] You've got this done yeah.

[00:22:10] Ok so there's Congress recognized that there were some there were a lot of people who were missing the mark you know working qualifying employment but not ending up qualifying for public service loan forgiveness. So recently Congress passed what they're calling the public service loan forgiveness fix. We'll talk about how much of a fix it is in a minute but it sets up a fine 350 million dollars to help certain people who are who are kind of missing the mark in terms of getting loan forgiveness. That applies to those people who are in what are called graduated repayment plans. I don't even mention those because they're not very beneficial. But sometimes people have been kind of funneling it to those by their servicer and those don't qualify for public interest loan forgiveness. So if you're in a graduated payment plan you're going to want to figure out how to how to parlay your way into some of this forgiveness fund money. Currently it's unclear how that works because the law that was passed is quite complicated. And so the Department of Education's website actually has a blurb on it that says basically stay tuned. We're going to release guidance on this as soon as we figure it out. So this is breaking news and it's something to know about and follow up on as it opens up. Now what's the problem with this fix. The problem is that it doesn't fix the problem. Fix the issue. Those of us with older loans not having qualifying loans. So most of the people I talk to who end up finding out that they're not yet not yet on track for public service loan forgiveness. It's because they have the old F F E Loans. And so the fix doesn't actually apply to those folks.

[00:23:46] Unfortunately OK so I'm going to talk about default on federal loans and what could happen.

[00:23:59] So default on federal loans occurs when the loans been delinquent for 270 days or nine months alone will then be transferred to a debt collector and collection fees of up to 25 percent is applied to the balance. And we'll probably say it's a couple times it's really important. If you hit a problem with your federal loans you become unemployed temporarily unemployed have a disability develop a disability be in communication with the service or before fixing the problem before it goes into default will save you money and stress just really important.

[00:24:38] I know the mail doesn't often bring happy news but really important to read your mail. Read your e-mail if that's the way you get student loan information and deal with it before default. There's just some more repayment options and options available to prior to default. As I mentioned earlier the downside of federal loans is that the federal government can pay knows how to pay itself back very well. They can seize your tax refund which from my clients is a really important resource.

[00:25:11] They know exactly when they're gonna get it and it's going to be a big boost to their low income family support. So that's can be a big hit. They can do an administrative wage garnishment and they don't need to sue you first. They can offset Social Security retirement and Social Security disability insurance benefits up to 15 percent. There's no statute of limitations on federal loan debt. They may so in limited circumstances. But it's really rare. They don't need to. That's a time consuming expensive process and they can get your money other ways.

[00:25:54] So and how to get out of default on federal loans. There are two ways through consolidation and rehabilitation. Consolidation is when the defected loan or loans you can consolidate even just one loan it's rolled into a new loan in good standing. Rehabilitation is when you enter into a payment plan and after 9 on ontime payments the original loan is restored to good standing and student loan borrower assistance. The website has a really great comparison of the two options. So let's talk about each. So with consolidation you can roll the old Federal Family Education Loans and numerous direct loans into a new direct loan. The benefit. One benefit of consolidation it happens fairly quickly can take a few weeks. The new interest rate on that new loan is going to be a weighted average with the former loan. You can then get into an income driven IDR payment plan immediately and it may expand your IDR options. The one thing to consider before you consolidate is creating a new around likely Wavves defences you have borrowed defenses and problems with those old loans so you need to go in eyes wide open and know if if their claims are problems with those old loans that you might want to raise later those are going to be gone to you. Once this new loan is formed collection costs are going to be consolidated into that new loan. And like rehabilitation consolidation can only be done once so a loan rehabilitation you're going to work with the debt collector and you've got to make nine payments over 10 months. And they must be on time payments are going to be equal to an income based repayment amount. IB amount for a reasonable and affordable payment. There is some marginal credit reporting benefit to this process versus the other. But pretty darn marginal for rehabilitated direct loans some or all of the collection costs may be waived.

[00:28:19] And again this can only be done once.

[00:28:24] So what happens when the federal government uses administrative wage garnishment to pay itself back on your federal loans. It's when a seizure of a portion of your wage wages can occur without any court action the notice of administrative wage garnishment will go to your last known address to stop it. You can request a hearing within 30 days to argue a hardship or certain defences to the loan. I didn't sign the loan. It wasn't my loan as a victim of ID theft. Whatever your claims are related to that loan if you have them you have defenses you can immediately consolidate out of default or set up a rehabilitation plan before the Administrative wage garnishment goes into effect.

[00:29:09] What do you mean before your money is taken by the federal government through an administrative wage garnishment before it's taken out of your paycheck at the employer. So once it starts if you let that period of when you could request a hearing go by.

[00:29:30] Once that wage garnishment begins and you're being docked pay your options become fewer you can request a hearing. But that wage garnishment is going to continue unless you win the hearing. At that point you must enter into rehabilitation but that wage garnishment is going to continue for five months concurrently with the rehabilitation payments so that's going to hurt financially and consolidation is not possible after an administrative wage garnishments starts.

[00:30:16] Hour by hour.

[00:30:21] So the Gottsch I think it was in 2015 that they they changed it made it harder to consolidate or even rehabilitate out of an active wage garnishment. So you may have been on the bridge before that time. Yeah it's harder it's worse now.

[00:30:40] So for in terms of seizure of a tax refund or Social Security as I mentioned a defaulted federal loan can result in a tax refund grab. It's really hard to reverse. So what you want to do if you know you're going to be getting a tax refund is try and get out of default before that before you file to save that refund from getting grabbed in terms of a social security benefit offset.

[00:31:13] Like I said they can take up to 15 percent of Social Security retirement or disability insurance benefits they may not take any of your Supplemental Security Income SSI income we've determined as a country that someone living on about seven hundred seventy dollars a month needs to have other priorities like paying rent. Keeping the lights on and having food that is not going to be garnished at all. So there are some discharges available to folks with federal loans. So death of a borrower is one such discharge that federal loan will be discharged upon death of a borrower for Parent PLUS loans. The death of the borrower or student will also discharge the loan.

[00:32:04] Another type of discharge is total and permanent disability discharge and there are three ways to qualify for this. A veteran who's been determined to be unemployed by the secretary of Veterans Affairs due to a service related condition is one way into this discharge war.

[00:32:22] If you have an SSI SSD finding of disability and that's based on the next Disability Review being within the next five to seven years. That's another way in to this discharge. We're having a doctor sign off on a total and permanent disability form available on the Web site. We talked about maybe a three year monitoring period after this third one is approved and that will be to make sure you're not earning more than a certain amount of money. Because if you are the Federal Government will consider you not disabled enough to qualify for this discharge. And one note about this if you're going the route of a doctor signing off a total and permanent disability form that doctor might get follow up calls from the servicer Department of Education. It's really important that you let your doctor a health care provider know to follow up and respond to those inquiries. You don't want the application to fail because a busy health care provider doesn't follow up and that's a really important part of this process. There are no longer tax consequences this is some good news.

[00:33:34] We'd like to point out the good news where there is some getting a toll on private disability discharge does not result in a taxable event for the borrower in some of these discharges. Your loans discharged. But the amount of the discharge can be taxable which is why it's important to talk to a tax adviser that's no longer true of this discharge.

[00:34:02] So fast certification is another type of administrative discharge. There are four types and it's all of them generally address the situation when a school facilely certifies a student's eligibility for federal aid. So the ability to benefit discharge if the school Fassi certified that you had the ability to benefit from its training and you didn't need the ability to benefit eligibility requirements. This discharge may be available to you disqualifying status discharge again one type of full sort of vacation is when the school facilely certifies your eligibility even though you weren't qualified for employment in the field you were training for because of a criminal record a physical or mental health condition possibly your age. That's another possibility. This one is particularly narrow but if it applies to you. You want to find out more information on these Web sites about it. A jury at the school forged your name on the application of promissory note. That's an administrative discharge you definitely want to look into identity theft is the last one the loan was facilely certified because you were the victim of identity theft. There's one other discharge on here actually unpaid refund discharge might be available to you if you withdrew from the school before completing the entire course.

[00:35:24] You may not have to repay the full amount of the loan and unfortunately a bad education is not a basis for a discharge.

[00:35:36] All right.

[00:35:40] One more. All right. So close school discharge is for loans. More than that. Reform. More recently the 1986 you had to have been attending at the time of closure or have withdrawn within 120 days of the school's closure. And it's not available if your credits transfer to a new school if you transfer to new school and you got credit at that new school from the close school this discharge is not available to you.

[00:36:11] All right. So we didn't want to talk just very briefly about a couple of schools that have closed in recent years for which students may be able to get discharge of their federal student loans. The first is the Corinthian Colleges those primarily went under the brand names of Everest or Hield or whio tech. I guess a technical college out of Wyoming. They shut down in the midst of federal and multiple state investigations. And it came in the aftermath of that was that the federal Department of Education was able to determine that for wide swaths of students. Corinthian had made misrepresentations in the recruitment process most commonly there were misrepresentations about whether you could transfer your credits to another school if you decided you needed to go into a different program. And also misrepresentations about job placement rates. So for example if you're going into a program to be a medical assistant one of the things you want to know is what percent of the graduates from Corinthians medical assistance program get jobs in that field. That's the whole reason you're going there. Corinthian lied about those rates as a result. There were findings made for more than 100 programs all across the country including programs at campuses in Washington for example at Tacoma in Bremerton and in Seattle. And for students who went to those campuses and enrolled in those programs at specific times this is again another one of those situations where all the stars have to align. The Department of Education will discharge their loans upon proof of attendance and enrollment at those times. That relates to kind of a bigger type of discharge which I'd like to talk about.

[00:38:36] Just very briefly. It's called Barloworld defense to repayment. And unlike the closed school discharge that well we'll talk about Barwood defense to repayment generally relates to misrepresentations or other unfair practices or violations of the state law that took place oftentimes during the recruitment process but it can take place during the time when you're a student. So what sort of what sort of conduct might give rise to a borrower or a defense to repayment. The most obvious right is what we've talked about. Hey Ninety five percent of our graduates get jobs in the field when that's not true. That's that's one example. But misrepresentations and other unfair practices can cover really the full gamut misrepresentations about scholarships about transferability of credits about the availability of internships or externship programs as long as it is material or important consideration to someone enrolling in that program. That would be a violation of state law under our Consumer Protection Act and could give rise to a borrowed defense to repayment. Now how do you assert a borrower defense to repayment. You have to do that. And this relates to direct loans. So sort of the new type of federal loans that Latif was talking about earlier you have to do that through the US Department of Education. I would recommend going straight to the department's Web site. You can download an application form. You can also further form out entirely online if you would like and and ask the department to discharge your loans.

[00:40:54] Is there anything else you want to note on that at this point there's not a lot of the processing is extremely slow but if the circumstances are there.

[00:41:05] Yes that's right.

[00:41:06] So there will be additional information on the National Consumer Law our Web site on the status of how those are being addressed through the Department of Education as well.

[00:41:19] Yes. Thank you Julia. So the processing of this that these applications you said is slow. One of the benefits to a certain borrower defense to repayment is that you have the option to cease payments on those loans while your application is pending.

[00:41:41] Now a word of warning that can be a double edged sword. On the one hand you don't have a monthly payment obligation. On the other hand interest is going to keep accruing on those loans so that if your application isn't successful or if only partial loan relief is granted. You may not end up in a better situation. So that's something to think very hard about if there's some someone you trust about financial issues. Talk to them before you check that box and ask for your loan to be put into an administrative forbearance.

[00:42:23] Just very briefly the other school that we have seen close in recent years is ITCZ tech that was a very high profile school that closed down again under federal and state investigation. Very suddenly students showed up and the doors were literally locked. They couldn't get in. The I.T. process has been a little bit different. There haven't been these sort of findings of fraud. That's not to say that fraud didn't take place but the Department of Education hasn't made those kinds of findings yet. So for folks who went to I.T. who believes that they were the victims of fraud they need to follow the bowerbird defense to repayment process that I just described. Otherwise borrowers who were either enrolled in I.T. T or who withdrew from IATSE in the 120 days prior to their closure can apply for what's called closed school discharge. And that's just a recognition that hey you know when you've taken out loans to attend a school the school closes while you're in the middle of you know pursuing your degree you ought to be able to get discharge for those loans. So there's I think a relatively straightforward application process for that. I don't know if you want to talk about that process but that's a little bit more straightforward than the kind of fraud or deception based discharge that I was talking about earlier.

[00:44:08] So I'm just going to move forward I think to sides. And if you if you are somebody who wants to talk about the pathway you can come find one of us after the program.

[00:44:18] So thank you. And that was actually really really helpful.

[00:44:22] We're going to talk about private loans now. This is a whole different animal from the fairly straightforward roadmap you get for dealing with federal loans. So this is more of a Wild West approach we're just going to you know jump on and see what happens. So private loans are as you know the ones that are not backed by the federal government not subject to the same administrative remedies. About 20 percent of our student loans. And as we discussed IDR is not available for private student loans. Collection continues regardless of whether you become disabled or deceased. A big giveaway that you're doing with a private loan is that there's a co-sign seiners that might be my grandma friend. You know anybody who was in your life at the time you took out that loan or you may be a cosigner. Interest rates vary wildly sometimes into the teens. The statute limitation does apply. So if you rest paid your private student loan 10 years ago you may have a debt that's I'm collectible. So that that's something you should understand and maybe opening up during your one on one consult. And finally finally if you're in default on your private loan that creditor can't come and garnish your wages without going through a legal process to get the right to do that. Unlike the federal government they can't garnishee take your money or leave your real property without suing them first and getting a judgment. So the similarity here is it's presumed non dischargeable should you file for bankruptcy. We talked about cosigners or am I talking with cosigners today. That's me co-sign liability.

[00:45:56] It's important to understand that it is co equal to the primary borrower or the student borrower. If you're co-sign or if the primary buyer decides to stop paying is unable to make payments dies leaves the country and the cosigner will be pursued equally and has equal liability. Occasionally I can negotiate a co-sign a release. That's where someone comes and says hey I want to I want to pay a lump sum to be granted release as to me the co-sign Seiner. And it's a bit of a crime but it's worth angling toward if that's something you need to try to move forward if you have a defaulted primary borrower. And it's important to know the collection suits those lawsuits can be filed against student buyer Kobar or both parties if they are living in the same county. So the problem folks come in to talk to me about with respect to with respect to private loans is they just say look I'm being girls at this level and I can't pay that. What are my choices. And so there's sort of a limited number of choices and I don't mean to be flip but it kind of runs the gauntlet from and you figure out a way to pay it so you scratch together enough money to make that payment in order to avoid default and problems that flow from that. You do what I call calling Beghe that is call your your lender or servicer and say I can pay what can I do and they may give you a temporary forbearance or an interest only payment that will allow you to manage what amounts to a temporary situation.

[00:47:29] You know when you're not you know you're underemployed for a period of time or you know you're experiencing a lot of expenses. So that's a temporary fix it definitely doesn't deal with the problem of the overwhelmingly big student loan bill you might consider refinancing. We're going to talk about that here in a couple of slides and we say proceed with caution. That's a new area of the financial industry. You want to understand what that looks like what you might be giving up or gaining. And finally the last choice is whether it's a choice or not. It's you find yourself unable to pay. You go into default on your private loans and that's a whole different chain of events from what we heard with respect to federal loans. So if you do end up by choice or not in a defaulted private loan situation you need to understand how this is going to go and I run this to ground in these programs because a lot of student loan borrowers have never been on the wrong side of a creditor. This is all new stuff and it feels it feels kind of yucky. So you want to understand how it's going to it's going to look like you start getting collection phone calls that were once you missing your payment the station limitation begins to run which is six years in Washington state. After about four months alone is charged off going to be dealing with a different cast of characters but they'll be calling you billing you and you know sometimes they may be quite unpleasant.

[00:48:51] So if you have a particularly unpleasant debt collector you might want to make record of what's happening if you're getting calls late at night or being you know verbally abused by this debt collector. You have certain rights and you can talk to a consumer advocate about how to shut that down. There may be a cast of characters that you see a revolving door of different debt collectors. Over a period of years you can generally find out who is holding your debt by consulting your credit report and whatever your most recent collection letter is. And eventually you may or may not be sued so the lawsuit looks like this.

[00:49:31] First if you get sued or you co-sign or get sued first or service or process that no cliché of you have been served and they hand you papers summons and complaint to initiate this lawsuit. That's your cue to do something. You can't put your head in the sand at that point if you're getting sued on any matter because if you don't show up then the person suing you can walk into court and say look she doesn't even care enough to defend herself. Give us what we want so you need to show up and make sure that doesn't happen because that's when you lose control of the situation all the way you may want to hire a consumer advocate or a student loan attorney or some other defense counsel to assist you. You or your attorney will generate something called a notice of appearance which is filed with the court and says Hey I'm showing up don't get a judgment against me it preserves your rights. There may be additional steps you need to take to keep the process on the rails and avoid a judgment being taken at any point you can negotiate either a lump sum payment if you're able to swing that which will be a reduced payment at that point it is something you can settle.

That's good to know if you owe x. You can probably pay some fraction of X to get this taken care of and finish it up or get into some kind of payment plan that may be quite a bit better than what you had at the outset so you'll be paying you know at some trickle of money over a long time at zero interest.

[00:50:55] So you know that's one possible outcome if you're dealing with a defaulted private student loan and you can also just say you know what. Prove it guys. And then you're defending yourself in this lawsuit that is viable.

[00:51:08] Or maybe Julia you're talking about judgements. What's the purpose of this is to try to get everybody to have a chance to menya questions ground one on one.

[00:51:15] So if a judgment is entered on a private student loan that if the private student loan collector gets a judgment they now have the right to collect it from you. Another goodnews point and our site needs to be updated with some recent good news from our state legislature. The interest rate on private student loan judgment has been reduced. This rule change on June 7th 2018 based on legislative the law being changed. So it's no longer 12 percent. It's 2 percent over the prime interest rate which is really about 3 percent. Now this is a giant change garnishment laws haven't been changed in a really long time. This is one new aspect that consumer advocates are excited about more people's wages are protected from garnishment now because of this new bill. We'll talk about a little bit later but it's up to 15 percent not 25 percent of your net income can be taken.

[00:52:30] Twenty five hundred dollars of money in your bank account is now protected instead of five hundred dollars on a private student loan judgment collection. As with any consumer judgment a private student loan judgment is a lien on real property and judgments are in Washington are good for 10 years and renewable for another 10 years.

[00:52:57] Something to explore with an attorney might be a way to and there are a number of free legal resources we'll talk about. For all income levels Canada judged would be voided or any way to go back and undo that judgment and get your day in court.

[00:53:16] If you didn't have it beforehand and there's a way to negotiate payment without a garnishment you'd want to talk to an attorney as well.

[00:53:27] Before we negotiate that OK as promised we want to circle back and talk about this new area of the financial industry refinancing of student loans. There are some pros and cons you need to be really aware of what you're giving up if you do a refinance. We say proceed with caution because it is it is an evolving area. So what we generally say is if you have federal loans we don't recommend refinancing into private debt. The reason for that is while you may get a lower interest rate marginally you're giving up the opportunity to seek income driven payment if you need it. So if your income goes down in the future and you're tied to a private loan with with payments here you can't adjust that. In most cases you lose the ability to do total and permanent disability discharge in the event of the bird can become disabled in the future or you know death discharge of course. Another thing you have to understand that a refinance at this point they're available only to people with quite robust credit. So even if it looks like it's a good option for you. Be aware that it may or may not be a door that opens for you at this point. So keep in mind if it's a substantially better interest rate you're getting better payment terms maybe you're getting you know your parent off as a co-sign or. Those are the upsides but give it some deep thought and if you're not sure turn to somebody you know who is you know adept with financial questions to figure out whether it's a good choice for you just a couple things to know about.

[00:55:05] If you see or get served with a lawsuit and an entity called the National Collegiate student loan trust is the plaintiff in the case. And Transworld systems are TXI is a service sir. We just want to make sure to flag these two names they have been the subject of federal enforcement by the federal Consumer Financial Protection Bureau. We're not sure where the enforcement actions are going to go at this point although Transworld system TXI has been has signed a consent decree and in general you know the national collegiate student loan trust is like the mortgage market the sort of debt buyer like trust entities that bought huge portfolios of private student loan debt with really weak proof sometimes loans that are too late to Suwon. But for profit they've sued in all 50 states because that's their business model.

[00:56:10] So if you don't show up to the lawsuit and defend and force them to prove their case which we really like to do in these cases because we've had a lot of success as have advocates across the country in defeating these lawsuits we just want folks to know those names and know to check the websites.

[00:56:30] We talked about about the latest and greatest about what's going on with this enforcement action based on their bad conduct.

[00:56:41] Ok I'm going to talk about bankruptcy. I know probably nobody came in here wanting to hear about bankruptcy as an option because it's not where you set out to be when you take out your student loans. Nonetheless it can be an important tool in your toolbox when you're figuring out the best strategy for you simply throw out this information. So when you're making a strategy you fully understand it in some cases a bankruptcy can help you move forward and talk about a Chapter 7 Chapter 13. And then something called adversary proceedings in bankruptcy. So a Chapter 7 is a quick case that's available to those with low to medium income. And the objective of that is to eliminate dischargeable debt that is your credit card debt medical debt judgement's old stuff that's that's dragging you down financially and preventing you from being able to pay your student loan bills. It's important to know that when you come out the other side of your chapter 7 bankruptcy your student loans will still be there.

[00:57:41] You still have to pay them but you won't be also paying those those credit cards and other things that are inhibiting them from having a budget that holds together at this point. So that's something to be aware of.

[00:57:56] The other kind of bankruptcy we consider for consumers is called a Chapter 13 bankruptcy where you go into this case that lasts for up to five years and during that time you're expected to make a payment that represents a payment toward all of your debt. That's manageable. As to your budget. So if your budget shows you can afford 200 dollars a month but your creditors combined want you to be paying a thousand dollars a month. What happens inside your Chapter 13 is you're paying two hundred dollars a month. It's shared out pro-rata to all your creditors and they can't do anything to you to collect the rest of what they want. You kind of like in a protective bubble for a period of years. I rarely recommend a Chapter 13 unless it's really beneficial to someone because it does kind of put you in amber for up to five years. So you're not moving forward but you're also not moving backward or being garnished. It does protect your cosigners and for some people that's a really important consideration. It does not discharge your student loans. But again protect your CO borrower and if you think this might be a fee you should definitely seek the assistance of a bankruptcy attorney with experience and student loans. Chapter 7 in some cases if it's a simple enough case can be done per se but a Chapter 13 definitely a cause for representation. I will tell you so there's has as I said in as a general rule student loans are not dischargeable in bankruptcy that's just how the law is written in in a narrow set of circumstances if someone's circumstances are are dire enough we can consider filing something called an adversary proceeding which is a lawsuit that's filed inside the bankruptcy and it's heard by a bankruptcy judge that says hey because my situation is so tough I want to be considered to have my loans discharged and to successfully do that you need to show the judge you need to prove that repaying these loans will be an undue hardship for you or your dependents and that undue hardship means you'll show it by showing current inability to pay like they're telling me for a thousand dollars a month and I can't pay that my budget proves it.

[01:00:13] Patcher inability to pay that is to say you're not about to go out there and get that you know huge high paying job. Instead you know your situation can be shown to be fairly stable or possibly deteriorating if their health situations are you know dependents who need your help over the long term. And finally passed good faith efforts to deal with the student loans. So ideally you should be able to show that you have either made payments in the past or at least there's some case by showing that even if you haven't made payments in the past that you were never in a position that you could ever have made that payment they were demanding. So good faith efforts to deal with it. You can't have just been up kicking your heels you know kicking up your heels for the last 10 years and now you want discharge. It's like you've been trying and it's just not ever going to happen.

[01:00:58] So that's pretty rare. It's a high showing so most people in bankruptcy don't even try an adversary proceeding. But if your situation is dire it's worth talking about your facts with a bankruptcy attorney OK.

[01:01:12] We've talked about some legislation now and we're almost done. We'll get onto those consulates with your patience.

[01:01:19] Student loan Transparency Act there are some really great legislative victories that have occurred in the past couple of state legislative sessions student loan Transparency Act passed in 2017. And it requires postsecondary institutions to give a borrower information on monthly repayment amounts and a total pay off of student loans. Every time the student is offered a financial aid package with new loans so like your credit card statement the student borrowers going to get every time they get a new loan mothers student here's what you have today.

[01:01:56] Here's what your payments and the estimated payoff is. As of today and Washington followed some other states that when they provided notice like this. So you're not just signing papers and it's all funny money. In other states it actually reduced borrowing by about 15 to 17 percent in other states when people knew exactly what they're borrowing and what that off is going to look like. And again it's not that they borrow less than they need.

[01:02:25] But just what they need to no more with full knowledge of what the payoff and repayment is going to look like. So that's already started are starting this year. The next thing is very recent legislative changes the Student Opportunity Assistance and Relief Act. We caught the soare act. It just passed in the session it will be effective June 7 2018. I mention there are some heightened protections particularly for private student loan judgments and. And another good thing it did. We had a law that suspended the professional licenses in many professions for folks if they were in default on federal or state student loans which seems a little counterintuitive. If the point is for someone to pay back why would we want to prevent them from working in their profession to be able to pay back the loan that's repealed except for escrow agents I believe. And as I mentioned before those increased protections on income wages that an employer and income in a bank account more of that is protected under this new law. We also have a student loan bill of rights which passed this session goes into effect June 7th creates an advocate's office to help with student loan issues our attorney general's office will be play a big role in this and play a big role in its passage and it's going to be required. It's going to require servicers to be licensed in our state with the Department of Financial Institutions and complaints can be received by the Washington Student Achievement Council. Those complaints will be reviewed by Department of Financial Institutions and our attorney general's office. There will be more oversight of servicers. We're excited about this one too.

[01:04:18] If I could jump in for just a second a couple of points to make on the complaint issue that Julie erased. First one of the things that we're really excited about about the student loan bill of rights is that it establishes what's going to be known as the student loan ombuds position.

[01:04:39] And that's a person whose sole job it's going to be to help educate people about student loans and to help people resolve disputes about student loans with their servicers with collectors and that sort of thing. I think that's going to be a tremendous resource for folks that should be coming online some time in the fall of 2018. We don't know whether it's going to be an ombudsman or an ombudswoman yet but I think that's going to be great. In the meantime I do want to encourage folks who are experiencing difficulties with their student loan servicers or collectors or what their schools to file a complaint with the Washington State Attorney General's office. You can do that. Read on our website you go to the front page. There's a big button that says file a complaint. I'd encourage you to fill out the online form. It'll be much easier for you it will be easier for us to read. And those complaints are very important to us in terms of keeping our fingers on the pulse of what's going on. What kind of practices are affecting the people were out there trying to protect. So just wanted to throw that out there.

[01:06:01] And the other bill that passed is addresses abuses by for profit schools and this is going to try and protect against some of the abuses. Ben talked about related to Corinthian avarice those you know inflated employment and placement rates really try and drill down on their abuses by for profit schools on graduation day completion data and claims about what graduates earn.

[01:06:37] Regarding a bankruptcy adversary proceedings there's a program that's getting off the ground here in King County organized by the King County Bar Association where attorneys who are interested in taking on student loan adversary proceedings in bankruptcy are available to take select cases on a pro bono basis. That means free which is a really great benefit because litigation can be expensive. So if you may be interested in being screened for this program I think we can do intake here at these one on ones but I'm not sure about that. The other intake portals would be the King County Bar Association the Northwest Justice Project debt clinic for low income folks the clear hotline data is all here. And so that's something to be aware of.

[01:07:24] Yeah I believe so.

[01:07:29] For our clinic folks all for that. No no no. Tony do you want to answer that.

[01:07:37] A couple years ago it was when I asked but that's changed. So it sounds like.

[01:07:42] And I think I think folks should at this point just throw your name in that and be in contact and can let you know.

[01:07:53] And we want to jump back to scams and frauds.

[01:07:56] One last thing I can talk about scams and frauds scam.

[01:08:02] Just so I mentioned the number of scams that try to target folks with student loans.

[01:08:14] They they primarily target people with federal student loans and they charge in some cases an exorbitant amount of money for services or services that you can do yourself online through the Department of Education's Web site and servicer services that your student loan servicer has contracted with the Department of Education is obligated to provide you with so much of these scams look like they advertise pretty aggressively.

[01:08:50] You'll you'll see an advertisement for example for student loan forgiveness on Facebook. Maybe something pops up on a Google search. You know for example if you leave today and you go student loan forgiveness you want to check up on some of the things that we've talked about. I want you to be very very careful about what Web sites you click on and what telephone numbers you call. If it has dot gov at the end you're probably good to go. If it's the Web site for your service sir that's service or it could be Navigant. It could be known that it could be great lakes or said loan servicing. Go to your servicer for information about things like enrolling in income driven repayment plans and

and debt forgiveness. The reason for that is these these we call them third party or student loan debt adjusters and what they do is they'll charge you five hundred seven hundred dollars and provide what they call forgiveness servicers services. What they're actually doing is consolidating your federal student loans. OK. Again something you can do for free something your servicer can help with. They then enroll you in one of the income driven repayment plans that Latifa was talking about earlier. They try to get your payment down as low as they can which you know. OK great except that oftentimes because they've promised to forgiveness though try to do that in ways that aren't legal and could result in you committing perjury. For example we hear stories about people who are told look if you send money to a cousin or a niece or a nephew you can claim them as a dependent on your tax return. Not true. Right. But they want to get the number of your dependents up so that your your student loan payment on these income driven repayment programs goes down ideally down two to zero dollars per month a zero dollars a month payment. Sounds great. You should not get that.

[01:11:31] However at the at the cost of lying to the federal government. Because that could really come back. A It's wrong. And B it could really come back and bite you and you don't want to be in that position regardless of who told you to do it.

[01:11:50] Another thing I've seen him do is say you pay a thousand dollars to have them fill out the consolidation form and then they act as a part of your payment. So then they're basically taking 50 dollars every month to move your payment on to fed on servicing which is your servicer. So there's no need to be paying a surcharge to somebody to manage your student loan payment.

[01:12:09] So they'll try and sound really official Trump loan forgiveness. They had the same thing in the prior Obama loan forgiveness mortgage forgiveness the same bad actors know how to try and trick people into making it sound official government seal of approval when it's absolutely not. So be very very skeptical and they try and make it sound like they have special info and access and it's too complex for me to deal with.

[01:12:33] Well reach out to some of these other sources before you help make your private loans. That's another one I've seen so people send you know thousands of dollars to someplace that promises that they're going to deal with the private loan bundle and then the client gets sued on the private lines anyway and the people who are taking their money to deal with that debt are nowhere to be found. They're out of state and we can't recover that money.

[01:12:56] I can't maybe the AGs office can we can it. So the attorney general's office has taken action against about two dozen of these scammers so far. We've recovered about a million and a half dollars directly back into Washington consumers pockets. The reason for that is there are caps on what they can charge if they violate those caps the contract is void. The consumer is owed a full refund and they all violate the caps every single time. We haven't come across one yet. That's operating within the law. But the difficulty in a particularly for a private citizen getting money back and it's sometimes a practical difficulty for the attorney general's office is that these are folks who operate from out of state. There's a large concentration of them in Orange County California for some reason. Florida is also a popular place of residence for people who run these types of companies.

[01:14:11] And so just the practicalities of getting a hold of them and getting that money back you know are sometimes present.

[01:14:20] So the the best I guess defenses is kind of not to fall for it in the first place. Make sure you're dealing with either your student loan servicer or the federal government. Don't trust anybody who promises you loan forgiveness or anything like that.

[01:14:41] To take some questions that might come in.

[01:14:52] So is our life. Now there's this yeah that's a good question.

[01:15:09] There's actually kind of a shadow industry of folks called Lead generators. And what we find when we talk to these companies is that they just buy lists of people who may or probably have student loans. I get these advertisements. You know sometimes on Facebook earlier this year I got a letter saying this is your final notice. Right. Take action now. We're taking action. It's not. It's not the action they were hoping to provoke. So I guess the answer is if you if you got one of these sort of personalized solicitations right if it's on Facebook that's a little bit murkier.

[01:16:04] But if you were to get a call or a text message or a letter you know it's I don't believe that they would have gotten your information directly from the federal government. That's not something that the U.S. Department of Education would go about.

[01:16:25] But you on our list and we're flagged by some guy with a shady company as likely having student loans. Unfortunately it's really really cheap to advertise now by text message by e-mail and even by letter. And so even if you don't have student loans you may still get these letters or these calls or these texts because you have the characteristics of someone who might have student loans.

[01:16:59] There are any other questions.

[01:17:05] It is. Yes. Yes.

[01:17:46] So one of the interesting things about this is the only entity that has this special feature that now has a foot in both the federal servicing business so you may be talking about a federal servicing question Mr. defying your income driven repayment which is done by you sending in your proof of income whether it goes up or down. Never answer is a lender and service are in the private loan industry so sometimes seeing Aviad doesn't necessarily indicate one or the other kind of debt. Regarding removing the co-sign your release that is as I said a unicorn and now it is known to kind of hide the ball on that. But it can happen I've seen it more often happen when the when the co-sign is willing to pay money to get your name off the loan. But what do you know about now that releasing people.

[01:18:34] Certainly.

[01:18:34] So you may know that the The Washington State Attorney General brought a lawsuit against Navigant in January of last year January 2017 and we alleged unfair and deceptive acts or practices in a variety of aspects of their student loan operations ranging from the origination of subprime student loans to people who were not likely to be able to repay those loans to the servicing of both federal and private student loans and then to the collection of federal student loans. I can't give you kind of the inside skinny on what's going to happen or predict the future. Give you a kind of our legal strategy or anything like that. But one of the issues upon which we brought suit relates to what Navigant calls co-sign her release. This is a feature of private student loans that allow us under some very specific circumstances a coast signer to get off the loan. So there will be no longer liable for the loan Navigant promoted this feature very heavily particularly to people who need a co-sign years to get their student loan. It was a great way to persuade someone for example co-sign. You might get released from your Yurko signing obligation later on. One of the criteria navvy used to screen people for eligibility for co-sign or release was that they required 12 ontime consecutive principal and interest payments. And those would be monthly payments.

[01:20:40] So that's a year's worth of payments. So I think what you've described a kind of tracks that we've alleged is that Naveena was deceptive in how he used the terms consecutive on time.

[01:20:56] So for example the lawsuit alleges that when a person if a person were to make twice their regular monthly payments say I have a 100 dollar monthly payment it's January. I've got some money. I say I'm going to pay two hundred dollars towards my loan. I'm going to try to be responsible with my money and get that loan paid down in February. I'm going to get a bill saying you have zero dollars due on your your loan because Nabby and put you in what's called pay to head status. You know what. Naveen wasn't doing is counting in that second month. As a consecutive on time payment. Even though well some people might consider it to have been made on time and consecutively because it was made a month early. I can see some of your nodding.

[01:22:02] They did not count that towards your your 12th consecutive payments. So I'm happy to talk with you after we sort of finish up here about your experience there.

[01:22:18] Now the results of actions that very language now.

[01:22:42] Yes. And that always has been an option for people who have been paying extra.

[01:22:48] I think sometimes people have had a hard time availing themselves of that option or understanding that the option was there to question the back just research. This is I'll tell you. So you don't have to

[01:23:26] Proactively certify when their income goes up. So I would say wait until next year recertify then you can expect your payment will go up but you don't have any obligation the kind that if you were in a well paying job you're paying your ID payment. Now that your job is going to end in June.

You can certify immediately if you have a reduction in income you don't have to try to make it to the next recertification if you have a reduction.

[01:23:59] I'm ready for.

[01:24:14] Yeah there's that grace period where you are. You're not going to owe any payment at all for it under the contract I don't know if it's six months or three months you want to see what the communications from your servicer are.

[01:24:26] And then as you see that first payment approaching you're going to get that I.D. form fill it out and if your income is zero you'll check the box of I currently have no income but if you're working part time job just certify at that level of income also congratulations. I was wondering if you was sitting there asking you our fault

[01:24:57] And that we will ask them.

[01:25:07] I wonder if that's based on fashion of special licences. That's no longer applicable the panel does not know

[01:25:22] When when the last month recently. Yeah

[01:25:31] Yeah.

[01:25:35] Was it for public school huh. I'll look into that.

[01:25:45] That's my cakes could be tied to that. What changed recently because of that soare Act changed that professional licenses except for escort agents will no longer be suspended if you Audet maybe and if you're a teacher or something a teacher forgiveness that's now enough they didn't put it into the program.

[01:26:11] But you need to know about that so that if you can get some free money after five years of teaching in a qualifying school you can go ahead and fill out that application.

[01:26:18] And lots of good info on student loan borrower assistance dot org on that on these programs and every thing we talked about today except for Statewatch changes there are no questions.

[01:26:31] I guess we'll wait for people to be pulled for their one on ones that you'll know best.

[01:26:48] So yes a person can sue the Department of Education.

[01:26:53] Most lawsuits against the Department of Education actually relates to sort of rule changes and that sort of thing. So regulations about student loans for example that the change they can be sued under the Administrative Procedures Act in terms of actions relating to specific student loans. That's not something I'm familiar with. It strikes me as possible but it's something you'll want to discuss in your and your one on one and we can talk about that a little bit later too.

[01:27:34] And just to flag you know when these private debt collectors who are collecting on federal and private student loan debt they still have state and federal debt collection laws that protect people from all kinds of abuses by debt collectors so regardless of whether you have the money or whether in default 1970s I believe Congress passed the Fair Debt Collection Practices Act you know to say you don't can't be mistreated and they listed a bunch of violations. A good website to visit on you to know your rights when dealing with debt collectors is doubly doubly doubly doubt Washington law help work. A really terrific Web site Northwest Justice Project kind of manages it but it's a coproduction of lots of different organizations we've linked to a publications on there. But there's a whole section on debt collection and what your rights are in the debt collection process and how to address it because you consumers have very powerful rights in the process of debt collection and what debt collectors can't and can't do. The times they can call you the times they can't call you the frequency of calls. They can't harass you or demean you. You know and so it's important to know your rights and that debt collection process Washington law dot org. And it's a it's a Know Your Rights Web site written for non attorneys in all kinds of areas family law benefits landlord tenant but the consumer Bacot will be where you find those debt collection rates.

[01:29:26] Thanks for coming today. Thank you.

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