



STATE OF CALIFORNIA

Department of Business Oversight

GOVERNOR **Gavin Newsom** • COMMISSIONER **Manuel P. Alvarez**

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California Provides Expansion of Student Loan Relief: Most Private Loan Servicers Agree to Help

SACRAMENTO – Governor Gavin Newsom today [announced](#) that most private student loan servicers have agreed to provide payment and other relief to borrowers, including more than 1.1 million Californians with privately held student loans.

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act provided much-needed relief for students with federal loans, including the suspension of monthly payments, interest, and involuntary collection activity until September 30, 2020. However, the CARES Act did not address millions of student loan borrowers with federal loans that are not owned by the U.S. government as well as loans made by private lenders. The initiative announced today gives direct help to those borrowers.

“This is another of the many steps Governor Gavin Newsom’s Administration has taken to provide protection and relief for Californians impacted by COVID-19,” said Lourdes Castro Ramirez, Secretary of the Business, Consumer Services and Housing Agency, which oversees the DBO. “I commend Commissioner Manuel Alvarez and the DBO team for continuing to work in partnership to help Californians who have found themselves unable to make student loan payments because of the pandemic.”

Under the new initiative negotiated by California and other states, students with commercially owned Federal Family Education Loan or privately held student loans who are struggling to make payments due to the COVID-19 pandemic may also be eligible for expanded relief. Such borrowers should immediately contact their student loan servicer to identify options that are appropriate to their circumstances. Relief options include:

- Providing a minimum of 90 days forbearance
- Waiving late payment fees
- Ensuring that no borrower is subject to negative credit reporting
- Ceasing debt collection lawsuits for 90 days
- Helping eligible borrowers enroll in other assistance programs.

“On behalf of the thousands of California students who struggle to make their loan payments in the best of times, I’d like to thank those servicers who have stepped up here to provide urgently needed relief in these extraordinary times,” DBO Commissioner Manuel P. Alvarez said.

The student loan servicers that have agreed to provide relief options include:

Aspire Resources, Inc.	Rhode Island Student Loan Authority
College Ave Student Loan Servicing, LLC	Scratch Services
Earnest Operations	SoFi Lending Group
Edfinancial	TFC Credit Corporation
Figure Lending	Tuition Options
Kentucky Higher Education Student Loan Corporation	United Guaranty Services
Lendkey Technologies	Upstart Network, Inc.
MOHELA	Utah Higher Education Assistance Authority
Navient	Vermont Student Assistance Corporation
Nelnet	

In situations where investor restrictions or contractual obligations may limit the ability of regulated student loan servicers to take these actions, the DBO urges servicers to work with loan holders to relax those restrictions or obligations when possible. Prudent and reasonable actions taken to support relief for borrowers during the pandemic will not be subject to examiner criticism from the DBO.

To determine the types of federal loans they have and who their servicers are, borrowers can visit the Department of Education's National Student Loan Data System (NSLDS) at nslds.ed.gov or call the DOE's Federal Student Aid Information Center at **1-800-433-3243** or **1-800-730-8913** (TDD). Borrowers with private student loans can also check the contact information on their monthly billing statements.

Borrowers experiencing difficulties with a student loan servicer are encouraged to contact the DBO at **1-866-275-2677** or, to file a complaint, at <https://dbo.ca.gov/file-a-complaint/>.

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