

Financial Aid: Fresh Start Initiative Acknowledgment

The U.S. Department of Education (ED) announced on April 6, 2022, that it would eliminate the negative effects of default for borrowers who defaulted on their federal student loans prior to the pandemic repayment pause that began on March 13, 2020.

The following types of loans are eligible if they defaulted before March 13, 2020:

- Defaulted William D. Ford Federal Direct Loan (Direct Loan) Program loans,
- Defaulted Federal Family Education Loan (FFEL) Program loans (both ED-held and commercial-held), and
- Defaulted ED-held Perkins Loans.

Among other features, this initiative, called “Fresh Start,” will enable borrowers with defaulted federal student loans to regain *Title IV HEA* federal student aid eligibility, including eligibility for Federal Pell Grants and campus-based aid like Federal Work-Study (if they are otherwise eligible for these programs). These borrowers will also have the chance to enroll in an income-driven repayment plan or access other repayment options that suit their needs. This Fresh Start initiative will remain available to previously defaulted borrowers, as identified above, for one year after the end of the COVID-19 pandemic student loan payment pause. The student loan payment pause is extended until the U.S. Department of Education is permitted to implement the debt relief program or the litigation is resolved. Payments will restart 60 days later. If the debt relief program has not been implemented and the litigation has not been resolved by June 30, 2023 - payments will resume 60 days after that.

Simply put, these borrowers will have at least one year to make payment arrangements before potentially defaulting on their debts again and/or being subject to further collections efforts. This one-year period is considered the Fresh Start period.

Please contact your loan servicer to make repayment arrangements in order to avoid future default. Note that your loan servicer may change if you have new federal student aid disbursed after signing the Fresh Start Initiative Acknowledgment.

Log in at <http://studentaid.gov/>, visit your account dashboard, scroll down to “My Loan Servicers” and click “View Servicer Details” to look up the contact information for your loan servicer(s). If you need assistance with identifying your loan servicer(s), please call the Federal Student Aid Information Center at 1-800-433-3243.

Fresh Start Initiative Acknowledgment

*I, (print student's full name) _____,
understand that I am eligible for Title IV aid as a result of the Fresh Start initiative. As a Fresh Start-eligible borrower, I understand that, by accepting Title IV HEA federal student aid during the Fresh Start period, I am agreeing to have my defaulted loans transferred to a new loan servicer – the company that will manage my loan - which will result in continued Title IV, HEA federal student aid eligibility beyond the Fresh Start period. I understand that this transfer may not occur immediately and that I can contact the holder(s) of my defaulted loan(s) to request transfer sooner.*

Student's Signature _____ Date _____

Student's NOVA ID Number _____

If you have any questions, please contact the Financial Aid Office (<https://www.nvcc.edu/financialaid>).