

# Attorney General Raoul Urges Borrowers To Consolidate Commercial FFEL Loans Before Deadline

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CHICAGO - Attorney General Kwame Raoul is encouraging eligible borrowers who have commercial FFEL (Federal Family Education Loan) Program loans to consolidate their loans before the April 30 deadline to take advantage of an account adjustment that could help them get loan forgiveness.

The Department of Education is conducting a one-time income-driven repayment (IDR) account adjustment to help correct past errors in student loan servicing that prevented some payments from counting toward forgiveness. The adjustment will give borrowers credit for some months that were not counted toward 20- or 25-year IDR forgiveness or

10-year Public Service Loan Forgiveness (PSLF), despite those borrowers being in repayment at the time. Borrowers can learn more about what types of payments, forbearances or deferments qualify for adjustment at the [Department of Education's website](#).

The adjustment will occur automatically for student loan borrowers with Direct Loans, but borrowers who have commercial FFEL Program loans must consolidate their loans into the Direct Loan Program by April 30 to receive the account adjustment.

“I strongly encourage borrowers with commercial FFEL loans to look into consolidation, so they don’t miss out on the chance for loan forgiveness,” Raoul said. “If you want to take advantage of this opportunity, and have a loan that requires consolidation, it’s easy to do. It takes about 30 minutes to apply for consolidation online by logging into your FSA account.”

FEEL Program loans are typically older loans that stopped being disbursed in 2010. FFEL loans that are not managed by the Department of Education are commercial FFELs, which are not eligible for IDR or PSLF forgiveness unless they are consolidated into the Direct Loan Program. While consolidation would normally reset the payment count to zero, consolidating before April 30 means borrowers get the benefits of the account adjustment and don’t have their payment count reset.

Borrowers can fill out the [application for consolidation online](#). Applicants will need their FSA ID and some basic personal and financial information. Borrowers who want to complete the process by mail can download, print, and complete the application. Once completed, they will need to select a repayment plan for their Direct Consolidation Loan and mail the application package to the consolidation servicer of their choice. The servicer will complete the consolidation and service the Direct Consolidation Loan.

Borrowers with [HEAL](#) (Health Education Assistance Loan) and [Perkins Program Loans](#) also have until April 30 to consolidate to take advantage of the adjustment. However, they should review their loan terms and payment histories carefully and talk with their loan servicers before consolidating. For some borrowers, the benefits of HEAL or Perkins Loans may outweigh the benefits of the IDR account adjustment.

Borrowers who are unsure of what type of loan they have can visit [studentaid.gov](#), log into their FSA accounts, and search for their loan type within the loan categories. For instance, FFEL loans will be listed as FFEL or FFELP. Borrowers who have an FFEL can click “My Loan Servicers” on the dashboard webpage of their FSA account. If the servicer’s name starts with “DEPT OF ED,” the loan is held by the U.S. Department of

Education, and the borrower does not need to consolidate to take advantage of the IDR account adjustment. Borrowers who are still unsure about their loan type should contact the Department of Education by calling 1-800-433-3243.

More information on loan consolidation is available on the FSA's [website](#).

Attorney General Raoul encourages borrowers who have questions about their student loan repayments or servicers or who need to report student loan scams to call the Attorney General's Student Loan Helpline at 1-800-455-2456 (TTY: 1-800-964-3013) or file a [complaint](#) on the Attorney General's website.