Payment on Student Loans Hits a Pause, but Keep Paying if You Can
Among its many provisions, the Coronavirus Aid, Relief and Economic Security Act passed by the U.S. Congress in late March hit the pause button for students who owe money for their college education.

It benefits students to continue paying on those loans if they can. With the CARES Act, interest on qualified loans was moved to $0 \%$, so the loan amount will not increase even though the number of payments you owe will remain the same. However, if you are in a position to continue making payments, that is a good idea. Current payments will be fully credited toward the principal, which then lowers the total interest paid over the life of the loan.

The act lowered interest to $\mathbf{0 \%}$ for direct loans, federal family education loans (FFEL), Federal Perkins loans, and health education assistance loans (HEAL). The 0\% rate went into effect on Mar. 13 and will run through Sept. 30.

If you have questions about what type of student loan you have or if this applies to you, contact your loan service.

The CARES act is not a loan forgiveness program; students are still required to pay the balance on whatever they owe. This current program simply delays payments without a penalty. To assure that they are receiving the $0 \%$ rate through Sept. 30, students are encouraged to contact their loan service.

According to the U.S. Federal Reserve Board, $\mathbf{6 0 \%}$ of individuals currently under age 30 who have recently earned a bachelor's degree acquired debt while doing so. For those who earned graduate degrees, that number rises to $\mathbf{7 3 \%}$. Ninety-three \% of those debts are a result of student loans. Statistics from the Federal Reserve indicating that of the first generation college students under age $30,16 \%$ of them are behind on payments. For many, even a brief pause in paying back students loans is welcome relief.

If you are in a position to continue making payments on student loans, that is a good idea. Current payment will be fully credited toward the principal, which then lowers the total interest paid over the life of the loan.

