

Information for Health Professions Student Loan and Nurse Faculty Loan Program Grantees about Loans during Coronavirus Emergency

In light of the COVID-19 national emergency, the Health Resources and Services Administration (HRSA) is waiving interest and extending the opportunity for administrative forbearance on health professions student loan and Nurse Faculty Loan programs through September 30, 2020. These policies apply to borrowers to the following programs:

- Health Professions Student Loan (HPSL);
- Primary Care Loan (PCL);
- Loans for Disadvantaged Students (LDS);
- Nursing Student Loan (NSL); and
- Nurse Faculty Loan Program (NFLP).

HRSA is providing this information to you as a recipient organization of one or more of these programs. If you use a third-party loan servicer, you should communicate this information to them.

Waiver of Interest

HRSA is waiving interest on the above health professions student loan programs from March 13, 2020 through September 30, 2020. Borrowers' monthly payments will remain the same, but the full amount of the payment will be applied to already accrued interest and/or the outstanding principal. This means that students are likely to pay balances down more quickly during this zero-interest period.

Loan servicers must make the following changes, effective March 13, 2020:

- Adjust accounts so that interest does not accrue until September 30, 2020;
- Notify borrowers of this adjustment; and
- Apply any payments during this period to the principal once all the interest that accrued prior to March 13, 2020 is paid.

Administrative Forbearance

Borrowers who are unable to make payments on their loans due to the COVID-19 national emergency may request administrative forbearance from March 13, 2020 to September 30, 2020.

- Borrowers should contact their loan servicer to request an administrative forbearance to suspend payments;

- No payments will be due during the period of administrative forbearance;
- No interest will not accrue on loans in forbearance;
- After the administrative forbearance ends, borrowers must resume making payments.

On March 13, 2020, the president announced that interest would be waived on all federally held student loans for sixty days. The Coronavirus Aid, Relief and Economic Security (CARES) Act extended the waiver of interest for certain Department of Education student loans until Sept. 30, 2020. Are loans through the HPSL, PCL, LDS, NSL, and NFLP programs covered by these announcements?

While these provisions do not apply to the NSL, PCL, HPSL, LDS and NFLP programs, HHS has authority to take certain action in light of the COVID-19 national emergency. Utilizing this authority, HHS is instructing loan servicers for loans made through the HPSL, PCL, LDS, NSL, and NFLP programs to waive interest on those loans from March 13, 2020 through September 30, 2020.

Do borrowers need to do anything for the interest on the loans to be waived?

No. Loan servicers should automatically adjust accounts so that interest does not accrue until September 30, 2020, and should notify borrowers. The account adjustment will be effective March 13, 2020. During this period of no interest, if students continue to make payments, the full amount will be applied to principal. However, if the loan had already accrued interest prior to March 13, payments will first be used to pay off that outstanding interest.

Will monthly payments go down because interest is being waived?

No. Monthly payments will remain the same, but the full amount of the payment will be applied to already accrued interest and/or the outstanding principal.

If borrowers make loan payments after March 13, how will those payments be applied?

During the period of no interest, the full payment will be applied to principal once all the interest that accrued prior to March 13, 2020 is paid. As noted below, payments may be suspended until September 30, 2020 without additional interest accruing.

How long will interest be waived?

Beginning on March 13, interest will not accrue through September 30, 2020. HHS may extend that period, depending on the status of the COVID-19 national emergency.

How will borrowers know when interest will start accruing again?

Loan servicers should inform borrowers of the date when interest will start accruing again. The end date for the zero-interest period is currently set at September 30, 2020. Should that date change, we will update the website and contact recipient institutions.

On March 20th, the President announced that borrowers could suspend payments on their student loans. What should borrowers do to suspend payments?

While the President's announcement does not apply to the NSL, PCL, HPSL, LDS and NFLP programs, HHS has authority to take certain action in light of the COVID-19 national emergency. Utilizing this authority, HHS is instructing loan servicers for loans made through the HPSL, PCL, LDS, NSL, and NFLP programs to provide an administrative forbearance from March 13, 2020 to September 30, 2020 to borrowers who request it.

Borrowers who are unable to make payments on their loans due to the COVID-19 national emergency should contact their loan servicer to request an administrative forbearance to suspend payments during the period of forbearance. Being in an administrative forbearance means that a borrower can temporarily stop making loan payments for loans subject to the forbearance without becoming delinquent. Given that HHS is waiving interest for these loan programs from March 13, 2020 to September 30, 2020, interest will not accrue while the loans are in forbearance. Borrowers who request an administrative forbearance will not have any payments due for as long as the administrative forbearance lasts. Loan servicers should cancel any scheduled auto-debit payments. After the administrative forbearance ends, borrowers must resume making payments.

What if a borrower is already more than 31 days past due on their student loan payments, or becomes more than 31 days delinquent after that date?

If a borrower is at least 31 days behind on their payments as of March 13, 2020, or becomes more than 31 days delinquent after that date, loan servicers should automatically place borrowers in an administrative forbearance.

How long will the administrative forbearance last?

The administrative forbearance will last from March 13, 2020 until September 30, 2020. HHS may extend that period, depending on the status of the COVID-19 national emergency and will contact recipient institutions and provide notification on its website if the timeframe is extended. If the option for an administrative forbearance is extended, loan servicers will be directed to communicate information about the extension to their borrowers.

How should loans already in forbearance be handled?

Loans already in forbearance will stop accruing interest starting on March 13, 2020 through September 30, 2020. However, when the loan goes back into repayment status, any interest that accrued during the forbearance period prior to March 13, 2020, will capitalize, which means that any outstanding interest will be added to the principal balance.

Can a borrower continue making partial payments while their loan is in forbearance?

As long as a loan is in forbearance, a borrower will not be penalized for making a payment that is less than the usual monthly payment. Borrowers still have the option to make a payment on their loan in order to make progress toward reducing the balance.

Does the interest waiver also cover penalty interest rates imposed in cases of default?

Yes, the waiver on interest will apply to all interest rates during the specified time period, including those imposed on borrowers in default.

Where can I get the latest information on changes to these programs?

Program updates will be posted at the [School Based Loans and Scholarships](#) page. In addition, visit [HRSA's Coronavirus response page](#). This site will be updated with the latest information, when it becomes available and as applicable.