

# STUDENT LOAN DEBT RELIEF

The New York Legal Assistance Group (NYLAG) is a civil legal services non-profit organization. We provide free legal help and financial empowerment services to New York City residents.

**This is intended to be general information only. It is not intended to be legal or financial advice.**

The Biden Administration and U.S. Department of Education (USED) announced a one-time loan cancellation of up to \$20,000 for eligible federal student loan borrowers. This cancellation is a part of USED's larger debt relief plan. Whether you are eligible for this one-time loan cancellation depends on two factors: your income and the type of federal loans you have.

## Eligibility

- Your 2020 or 2021 annual income must be below \$125,000 (for individuals) or \$250,000 (for married couples or heads of households);
- Your loan must have an outstanding balance as of June 30, 2022; and
- Your loan must be held by USED

**For a list of eligible loans, visit:**

**<https://studentaid.gov/manage-loans/forgiveness-cancellation/debt-relief-info>**

## I am eligible. How much will be cancelled?

- If you received any Pell Grant and meet the above eligibility requirements, you can receive up to \$20,000 in debt relief.
- If you did not receive a Pell Grant and meet the above eligibility requirements, you can receive up to \$10,000 in debt relief.

**Federal Pell Grants are typically awarded to students with exceptional financial need. To learn if you received a Pell Grant, log into your Federal Student Aid (FSA) account and look for a green circle on your FSA dashboard.**

## How do I apply?

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Most borrowers must submit an application to receive this one-time loan cancellation. We recommend that everyone who meets the income eligibility apply. You can submit the application online at <https://studentaid.gov/debt-relief/application>

### **It only takes two minutes! We recommend you apply as soon as possible.**

- You will have to attest that you are eligible to receive this one-time loan forgiveness.
- You do not have to submit any documentation with your application.
- You must apply by December 31, 2023 to receive this one-time loan forgiveness.

## Other Resources

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If you live or work in New York City, you can book an appointment for free financial counseling by calling 311 or visit

<https://www1.nyc.gov/site/dca/consumers/get-free-financial-counseling.page>.

- **To book with a NYLAG financial counselor: Under “Choose a Program,” select “Financial Empowerment Center” and your preferred language. Click “Next” and then scroll down until you see the NYLAG location options.**

This one-time loan cancellation is one of several USED programs for loan cancellation. Visit [studentaid.gov](https://studentaid.gov) and click on “Loan Forgiveness” for a comprehensive list of other loan cancellation options. We also recommend you visit the Student Borrower Protection Center’s Frequently Asked Questions at

<https://forgivemystudentdebt.org/faq/>

## Beware of Scams

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You do not have to pay for help with your federal student loans. You might be contacted by a company offering assistance for a fee. Do not share your personal information with this company. Should you have questions about your federal loans, contact USED, your loan servicer, or local legal aid provider.

For more information visit USED’s website:

<https://studentaid.gov/resources/scams>

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