

Oregon Department of Consumer and Business Services Division of Financial Regulation, Bulletin No. DFR 2024-4

To: All Oregon Licensed (or License Pending) Student Loan Servicers with Federal Family Education Loan Program Loan Portfolios and/or Perkins Loan Portfolios

Date: February 23, 2024

RE: Industry Guidance on One-Time Adjustment of Federal Student Loans

I. Purpose

The purpose of this bulletin is to ensure that servicers of commercially owned Federal Family Education Loan (FFEL) Program Loans and Perkins Loans are aware of a one-time adjustment for certain federal student loans, and will take steps to make relevant borrowers aware of the one-time adjustment, specifically regarding the possibility that borrowers may be able to have their loans forgiven if they consolidate those loans into federal Direct Loans by April 30, 2024.

II. Background

The U.S. Department of Education has recently begun what they describe as a one-time payment count adjustment for certain federal student loans toward the income-driven repayment and Public Service Loan Forgiveness (PSLF) programs.¹

The adjustment will apply to Direct or government owned FFEL borrowers who are working toward forgiveness via their payment plan, or PSLF. Covered loans that have been in repayment for at least 20 years (for undergraduate loans), or 25 years (for graduate loans) will be forgiven, and all covered loans will have their payment counts updated towards those goals. Although commercially owned FFEL Loans and Perkins Loans are not themselves covered by the one-time adjustment, borrowers who consolidate such loans into federal Direct Loans by April 30, 2024, will receive the full benefits of the adjustment.

III. Guidance

Because of the life-changing potential of having one's student loans forgiven, the Division of Financial Regulation expects all servicers with commercially owned FFEL or Perkins Loans in their portfolios to take an active role in ensuring that relevant

¹ For more details on the program, see U.S. Dept. of Education, *Payment Count Adjustments Toward Income-Driven Repayment and Public Service Loan Forgiveness Programs*, available at <https://studentaid.gov/announcements-events/idr-account-adjustment>

borrowers are able to benefit from the one-time adjustment. Consequently, recipients of this industry guidance should take the following steps on or before March 31, 2024:

1. Proactively communicate to commercially owned FFEL and Perkins borrowers, whether through email, postal mail, text, or other means of communication, regarding the potential benefits of the one-time adjustment.
2. Train customer service representatives on how borrowers can benefit from the one-time adjustment and how to assist borrowers in consolidating to a Direct Loan as appropriate. This process should include updating call scripts and other internal guidance with current and accurate information for all relevant types of loans, including commercially owned FFEL and Perkins loans.

Servicers can direct borrowers to <https://studentaid.gov/app/launchConsolidation.action> to consolidate their commercially owned FFEL and Perkins Loans into Direct Loans before April 30, 2024.

Servicers with questions about this guidance should contact Lane Thompson, Student Loan Ombudsman for the state of Oregon (lane.c.thompson@dcbs.oregon.gov or 971.374.3619).



TK Keen
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Department of Consumer and Business Services

2/26/2024

Date