Federal Student Loan Flowchart

Are you current on your student loan payments? → **NO** → **How many monthly payments have you missed?** → **9 or more** → **You are in default.**

How many monthly payments have you missed? → **8 or less**

Are you current on your student loan payments? → **YES**

You are in default. → **Do you have enough $ to consider settling?**

Do you have enough $ to consider settling? → **NO** → **It's OK. No one does. What types of loans do you have?**

Do you have enough $ to consider settling? → **YES** → **Consider settling.**

8 or less → **You are delinquent, but not yet in default.**

It's OK. No one does. What types of loans do you have? → **All my loans are Direct Loans.**

It's OK. No one does. What types of loans do you have? → **NOT all my loans are Direct Loans.**

YES / **You are delinquent, but not yet in default.** → Great! You are eligible for all the benefits of being in good standing. If you are having trouble making your monthly payments, you should contact the DoEd to seek deferment or forbearance, or to enroll in Income-Based Repayment (IBR).

All my loans are Direct Loans. → Rehabilitation is most likely your best option. A rehabilitation plan requires you to make nine out of ten consecutive monthly payments on time. You negotiate these payments with your loan holder, so payments may be $5/month or less. Once your rehabilitation is completed, you are no longer in default and the record of default must be erased from your credit report.

NOT all my loans are Direct Loans. → Consolidation is most likely your best option. In a consolidation, you take out a new loan from the government to pay off your old, defaulted loans. Once your consolidation is processed, you will be out of default. To get help, call the Direct Consolidation Loans Info Center at 1-800-557-7392 or go to **loanconsolidation.ed.gov.**

ACTION

Call the Federal Student Aid office at 1-800-4-FED-AID.	Call the DoEd's Debt Collection Services office at 1-800-621-3115.	Use the **FEDERAL STUDENT LOAN CONSOLIDATION** WorkSheet to begin the process.

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