



**State of Wisconsin**  
*Department of Financial Institutions*

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Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

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**October is National Financial Planning Month:  
A Perfect Time to Consider Student Loan Borrowing & Repayment Options**

MADISON, Wis. – October is National Financial Planning Month making it an ideal time for Wisconsinites to plan for their financial futures by reflecting on 2020 and preparing for 2021, especially when it comes to student loan borrowing and repayment options.

“In Wisconsin, we have more than \$24 billion in outstanding student loan debt, and making matters worse, 53% of Wisconsinites live paycheck-to-paycheck,” said [Wisconsin Department of Financial Institutions \(DFI\)](#) Secretary Kathy Blumenfeld. “The federal government, private lenders, and others have provided student loan relief to help student loan borrowers manage the economic fallout from the COVID-19 pandemic, but that relief is soon coming to an end.”

Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, borrowers with federally held student loans automatically received a six-month forbearance retroactive to March 13, 2020 for eligible loans. This [forbearance period](#) was later extended to December 31, 2020. All payments were automatically suspended with no payments due or interest accrued during this time.

“This forbearance was automatic, but its end is in sight and lost wages due to the COVID-19 pandemic may affect borrowers’ ability to manage and repay their student loans, so we strongly encourage borrowers to start exploring their student loan repayment and loan forgiveness options today, instead of waiting until the end of the year,” said DFI Secretary Blumenfeld. “It’s also important for student loan borrowers to understand and plan for the possibility that due to the automatic forbearance their repayment terms may be extended, so their final repayment date might be six-months to a year later than originally planned.”

Student loan borrowers with questions about COVID-19 relief, repayment, and loan forgiveness options should contact their [student loan servicers](#) or call the [Wisconsin Student Loan Help Hotline](#) toll-free at (833) 589-0750. This toll-free hotline was created by the [Wisconsin Coalition on Student Debt](#) in partnership with [Ascendium Education Solutions](#)<sup>®</sup> to help answer student loan borrower questions, provide guidance, and share valuable resources with borrowers who are having trouble making payments, are unemployed/underemployed, or unsure what their next steps are for managing their student loans during the COVID-19 pandemic.

In addition, student loan borrowers are encouraged to explore the [free repayment resources](#) provided on DFI’s [LookForwardWI.gov](#) website, including free tools from the [Consumer Financial Protection Bureau](#), [Federal Student Aid](#), and [Savi](#). Savi’s [COVID-19 Student Loan Aid Tool](#) educates student loan borrowers on their options and automates applying for federal income-driven repayment (IDR) plans, potentially reducing or eliminating student loan payments for up to 12 months at a time for those whose income has gone down due to the pandemic.

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“With the new year just around the corner, it’s imperative borrowers be proactive and plan for how to repay their current student loan debt and find ways to minimize the amount of student loans needed to pay for postsecondary education,” said DFI Secretary Blumenfeld. “The COVID-19 pandemic has highlighted the importance of planning and saving early for higher education costs.”

Before each year of college, student loan borrowers must complete the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid and determine eligibility for state and federal grants, work-study programs, and student loans. The FAFSA form for the 2021-2022 school year officially launched on October 1, 2020. To learn more, visit [StudentAid.gov](https://studentaid.gov).

“Many colleges and states, including Wisconsin, use the FAFSA form to determine both federal aid and eligibility for need-based state financial aid programs,” said [Wisconsin Higher Educational Aids Board \(HEAB\)](#) Executive Secretary Connie Hutchison. “Borrowers who have not yet filed their FAFSA form for the 2021-2022 school year should do so as soon as possible because many need-based financial aid programs are awarded on a first-come, first-served basis,” she added.

For more information about Wisconsin’s student financial aid, including grant, scholarship, and loan programs, tuition reciprocity agreements, and tuition capitation contracts, visit [www.heab.state.wi.us](http://www.heab.state.wi.us). In addition, search for scholarships using the [free resources](#) provided on DFI’s [LookForwardWI.gov](http://LookForwardWI.gov) website, including free tools from the [Consumer Financial Protection Bureau](#), [FastWeb](#), and [SallieMae](#).

“Scholarships are considered gift aid meaning they do not need to be repaid, and unlike grants, eligibility for scholarships is usually based on merit or achievement, rather than financial need,” said HEAB Executive Secretary Hutchison. “Scholarships are widely available from a variety of organizations, including foundations, community and religious organizations, local businesses, civic groups, high schools, and college financial aid offices.”

For more information, read Federal Student Aid’s “[Coronavirus and Forbearance Information for Students, Borrowers, and Parents](#)” and “[Who’s My Student Loan Servicer?](#)” at [StudentAid.gov](https://StudentAid.gov) or call the Federal Student Aid Information Center at 1-800-433-3243. To report an issue with a student loan servicer, submit a complaint to the [Consumer Financial Protection Bureau](#).

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