



You may have heard about an important deadline at the end of 2023 that directly affected forgiveness eligibility. For some borrowers, action was required before this deadline in order to qualify for the upcoming [payment count adjustment](#).

More specifically, borrowers with certain federal student loans needed to consolidate their loans via the federal Direct loan program to become eligible. Otherwise, they would not be included in the adjustments and miss out on receiving additional credit towards forgiveness as a result.

IMPORTANT UPDATE: This deadline has been extended by the Department of Education (ED). Borrowers now have until April 30, 2024, to take any necessary steps to qualify.

We've outlined some important information about this update below.

To keep borrowers informed, Savi hosted a workshop on January 3. A recording of that workshop can be found here later this month: [YouTube channel](#).

What is this payment count adjustment?

- This is a one-time initiative to address historical failures in administering student loans. It provides credit toward income-driven repayment (IDR) forgiveness and Public Service Loan Forgiveness (PSLF) for any time in repayment status, certain periods of forbearance and deferment, and time in repayment prior to consolidation on consolidated loans.
- The adjustment is currently underway, and ED will continue identifying borrowers eligible for forgiveness regularly, so they don't have to wait to get relief. Otherwise, ED expects to complete the full adjustment for all borrowers by July 1, 2024.
- The Department of Education (ED) estimates borrowers will receive at least three years of additional credit towards loan forgiveness, and many will see their loans forgiven entirely as a result. Since this summer, ED has approved almost \$44 billion in debt relief for more than 900,000 borrowers.

Why do borrowers need to consolidate by this deadline?

- **The payment count adjustment will ONLY apply** to the accounts of borrowers with **federally managed loans (held by the Department of Education)**.
 - That means all borrowers with Direct or Federal Family Education Loan (FFEL) Program loans held by the Department will see their progress toward forgiveness update automatically at the time the adjustment is complete (no application required).
- **Borrowers with loans NOT currently held by the Department**, such as those with commercially held FFEL or Perkins loans, **can only receive the benefit of the adjustment by applying to consolidate by April 30, 2024**.
- Because consolidation typically takes at least 60 days, we encourage borrowers to submit a consolidation application as soon as possible—but no later than April 30, 2024—to ensure their consolidation loan is disbursed prior to the adjustment.

Savi's Response:

- Savi has been communicating with all borrowers via email about the payment count adjustment and updates to the consolidation deadline. **Borrowers can learn more about the adjustments and consolidation through our extensive help center articles [here](#).**
- Seeing as many borrowers aren't sure what loan types they have and/or whether consolidation would be necessary, we're encouraging borrowers to make sure their loan(s) accounts are connected with Savi.
 - Savi's loan sync technology allows borrowers to link their student loan account to their Savi account, whereby we can detect whether consolidation would be required based on their specific loan(s) type.

We then follow up directly with the borrower to alert them and provide next steps around consolidation.