

President Biden's Student Loan Forgiveness Plan

President Joe Biden recently announced a [student loan forgiveness plan](#). Most federal student loan borrowers will be eligible for some forgiveness. Here's some key information regarding the plan:



WHO QUALIFIES:

If you earn less than \$125,000 annually, or \$250,000 for married couples or heads of households, you are legible to receive:

- Up to \$10,000 in debt cancellation

If you are a Pell Grant recipient and earn less than \$125,000 annually, or \$250,000 for married couples or heads of households, you are legible to receive:

- Up to \$20,000 in debt cancellation



Income thresholds are based on your 2020 or 2021 tax returns.

WHAT LOANS ARE COVERED:

Most types of federal undergraduate and graduate student loans qualify for debt cancellation, including direct subsidized, direct unsubsidized, graduate PLUS and parent PLUS loans. Federal Family Education and Perkins loans that are not held by the federal government may qualify in certain circumstances. However, private student loans are not eligible for forgiveness.

If you used federal student loans to pay for a trade program, professional degree, alternative certification or community college, you're eligible for debt cancellation. If you didn't finish your degree or are still in school, you qualify for loan forgiveness as long as your student loans were disbursed by June 30, 2022.



DEFAULTED LOANS LIKELY QUALIFY:

If your federal student loans are currently in default, you can likely qualify for loan forgiveness if debt collection activities on your defaulted loans stopped during the moratorium on federal student loan payments.

NEXT STEPS:

Some borrowers' student loan debt will be forgiven automatically because the U.S. Department of Education (DOE) already has their income information. All other borrowers will have to submit their income information to the DOE via an online application. According to the DOE, the online application will be available by early Oct. 2022, and once borrowers submit their application, debt cancellation will occur within four to six weeks. You will have until Dec. 31, 2023, to submit your application. You can sign up to receive a notification when the application is open on the DOE's [subscription page](#).



Visit the U.S. Department of Education's [website](#) for more information about student loan forgiveness or [sign up to receive email updates](#).

Sources: Department of Education, White House