

## UC Student Loan Relief and COVID-19

The University has \$173M in UC-held loans which are currently in repayment, including \$5M in Dream Loans, \$44M in Institutional loans, \$92M in Federal Perkins Loans, and \$32M in Health Services and Resources Association (HRSA) Loans. These former UC students may encounter economic insecurity due to the coronavirus disruptions to the economy. Therefore, beginning April 15 and through December 31, 2020<sup>1</sup>,

- **UC suspends interest accrual**, mirroring the federal action in the CARES Act. This includes loans that are in good standing, delinquent, or in default.
- **UC ceases turning loans over to collection** until further notice. The State Franchise Tax Board has also ceased tax refund garnishment on all UC loans through at least July 15, 2020.
- **UC ceases charging late fees** on the same set of loans.
- **UC will apply an administrative forbearance** (ceasing collection entirely) upon borrower request for Dream Loans, Institutional Loans, Perkins Loans, and HRSA Loans. UC decided to ask students to request the forbearance if they are not delinquent on payments because doing so across the board would be a disservice to those who are not having challenges repaying their loans by introducing administrative hassles (e.g., having to reestablish electronic payments through UC's student loan servicer).
- **Borrowers will be notified via email** about these actions by UC's loan servicer.

The estimated loss in interest will be \$5.8M for the period between now and December 31.

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<sup>1</sup> This relief was initially issued through September 30, but has been extended through the end of 2020. HRSA relief was applied as of March 13, 2020 and has been extended through the end of 2020 as per HRSA issued guidance.