Johnson C. Smith University

Office of Financial Aid

Fresh Start Initiative Statement for Federal Student Loan borrowers in Default

The U.S. Department of Education announced on April 6, 2022, it would eliminate the negative effects of default for borrowers who defaulted on their federal student loans prior to the pandemic payment pause. This initiative, called "Fresh Start," enables borrowers with defaulted federal student loans to regain *Title IV HEA* federal student aid eligibility. These borrowers will also have the chance to enroll in an income driven repayment plan or access other repayment options that suit their needs. This Fresh Start initiative will remain available to previously defaulted borrowers for one year after the end of the COVID-19 pandemic student loan payment pause. **Simply put, borrowers will have at least one year to make payment arrangements before defaulting on their debts and/or being subject to further collections efforts like most other borrowers eligible for the payment pause.**

If you want to participate, you must submit the statement below to the Office of Financial Aid at Johnson C. Smith University. Once new aid is disbursed to borrowers who qualify under the Fresh Start initiative, the Department will automatically initiate a transfer of the borrowers' defaulted loans to a non-default loan servicer. This transfer will remove the default status of the loans and allow the borrowers to remain eligible to receive *Title IV* aid beyond the Fresh Start period.

STEP 1 – STUDENT INFORMATION

_____

Last Name First Name Student ID Number

_____

Mailing Address City/State Zip

_____

Telephone Number

STEP 2 – Fresh Start Student Acknowledgement

I certify and understand I am eligible for Title IV aid as a result of the Fresh Start initiative. As a Fresh Start-eligible borrower, I understand that, by accepting the Title IV HEA federal student aid during the Fresh Start period, I am agreeing to have my defaulted loans transferred to a new loan servicer – the company that will manage my loan – which will result in continued Title IV, HEA federal student aid eligibility beyond the Fresh Start period. I understand that this transfer may not occur immediately and that I can contact the holder(s) of my defaulted loan(s) to request transfer sooner.

_____ _____

(Student's Signature) (Date)