



VCG NEWS BRIEF

President Biden Extends Pause on Federal Student Loan Payments and Interest

Recently, President Joe Biden [extended](#) a moratorium on federal student loan payments, interest and collections. According to the U.S. Department of Education, [this extension](#) means that borrowers will not be required to make payments or accrue interest on federal student loans until the end of the pause on Jan. 31, 2022.

Per the announcement, this will be the final extension. Federal student loan payments and interest have been suspended since March 2020, and the moratorium was set to expire at the end of September.

According to the White House, this action will give the Department of Education and borrowers more time and certainty as they prepare to restart student loan payments. It also is intended to ensure a smoother transition that minimizes loan defaults and delinquencies that hurt families and undermine economic recovery.

"We know there is more work to do, and the road will still be long for many people — especially for the 1 in 6 adults and 1 in 3 young people who have federal student loans."

- President Joe Biden

Next Steps

The Department of Education will notify borrowers of this final extension in the coming days and will release resources and information about how to plan for payments to restart as the end of the pause approaches.

Borrowers should prepare for student loan payments to resume at the end of this pause. Borrowers should also note that this extension applies to federal student loans. To learn more about private loans, borrowers should contact their lenders.

We will keep you informed of any noteworthy updates.