



Understanding Federal Loan Benefits

The Reset Refinance Loan is a private student loan. If you're thinking of refinancing any federal student loans into a Reset Refinance Loan, be sure you understand those loans **will lose all current or future federal loan benefits**. This could include loan forgiveness or changes to income-driven repayment plans for federal loans. While the future remains uncertain, refinancing any federal loans into a private loan would make them ineligible for those benefits in the future.

In addition, be sure you understand what other important federal loan benefits you may lose before you choose to refinance federal loans.

Federal Loan Information

Specific information about federal loans varies based on the type of loan and when it was originated. Please [contact your current federal loan servicer](#) for specific information on your loans.

In general, federal loans offer a number benefits and features that are not available for private consumer loans like student loans or other forms of financing a higher education. Select the appropriate links to view information from the Federal Student Aid website.

- [Numerous repayment plans](#) that range from standard plans to income-driven repayment plans that set your monthly payment amount based on your income and may allow for potential loan forgiveness if the loan is not repaid in full within a specified time frame, usually 20 or 25 years
- Typically more [deferment and forbearance options](#) compared to private loans, and interest may be paid by the federal government for subsidized loans
- [Loan forgiveness, cancellation or discharge](#) options, including discharge due to death or total and permanent disability as well as the Public Service Loan Forgiveness and Teacher Loan Forgiveness programs
- Additional [Servicemembers Civil Relief Act \(SCRA\) benefits](#) (PDF)
- Eligibility for [federal loan consolidation](#)

Contact your current loan servicer to determine if you are currently eligible for any interest rate reductions and other borrower benefits.

Reset Loan Information

While Reset Loans do not feature benefits for borrowers that are as extensive as federal loans, they do have some protections available to borrowers and cosigners who may need assistance.

- Borrowers with Reset Loans that have 7-year, 10-year, 15-year or 20-year repayment terms may be eligible for graduated repayment plans.
- Iowa Student Loan Liquidity Corporation does offer deferment and forbearance options for borrowers.
- It is Iowa Student Loan Liquidity Corporation's policy to forgive the loan and not require cosigner(s) or the borrower's estate to satisfy the loan obligation in the unfortunate event of a borrower's death or qualifying total and permanent disability. In addition, if a cosigner suffers a qualifying total and permanent disability, Iowa Student Loan Liquidity Corporation will release the cosigner from his or her obligation. In the event of a cosigner's death or qualifying total and permanent disability, the borrower will not be required to find a new cosigner for an existing loan. If you qualify for loan forgiveness, please consult a tax professional or the IRS for information about possible tax consequences.
- Certain SCRA benefits, such as an interest rate cap, may apply to the Reset Loan depending on active duty dates.
- Reset Loans are eligible for an interest-rate reduction when principal and interest payments are made through our auto-debit program.