



Fresh Start for Federal Loan Borrowers in Default

On April 6, 2022, the U.S. Department of Education announced 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,” will enable borrowers with defaulted federal student loans to regain Title IV HEA federal student aid eligibility including Federal Pell Grants and campus-based aid like Federal Work-Study.

The Fresh Start initiative does not waive other federally dictated eligibility requirements. Students who are ineligible for any other reason (e.g., failing to meet satisfactory academic progress standards, owing an overpayment), will continue to be ineligible until all of those factors are resolved.

In order to be eligible to receive Title IV funds under the Fresh Start Initiative, students with loans defaulting before March 13, 2020, must provide a U.S. Department of Education mandated attestation.

If your loans were placed into a defaulted status prior to March 13, 2020, please complete the following statement, and return this document to the Lake Michigan College (LMC) Financial Aid Office. Documents submitted via email must originate from an LMC email account and sent to faforms@lakemichigancollege.edu. Documents sent from personal email accounts will be ignored. Documents may also be submitted in-person at your local campus. The LMC Financial Aid Office will review your statement and confirm your eligibility for the program. Please continue to regularly check your student profile for updates on eligibility.

Thank you!

I, [full name, please print] _____, understand that 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 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 Signature: _____ Date: _____

Student ID: _____