



Education Department Issues Urgent Warnings to Student Loan Borrowers

Description

The US Education Department sent new notices to student loan borrowers last week. These notices tell up to 7.5 million borrowers to change their repayment plans. If they do not act, the department will automatically move them to a different plan.

The notice tells borrowers they are in the Saving on a Valuable Education (SAVE) Plan. But a court order ended the SAVE plan. Borrowers must choose a new repayment plan soon. The notice warns them this clearly.

These new notices put pressure on borrowers to take action. However, they do not need to act right away. The 90-day period to change plans has not started yet. Notices will not be sent until July 1.

Some groups say the emails are a way to scare borrowers. They advise borrowers to wait until they receive official notices. Other groups say borrowers will need to change plans soon. They recommend switching plans if borrowers can afford it.

There may also be many new applications for repayment plans this summer. Some borrowers may want to act now to avoid delays. The Education Department warns of a backlog of applications.

Comprehension Questions

Multiple Choice

1. How many borrowers were sent new notices by the US Education Department?

- Option: 5 million
- Option: 6 million
- Option: 7.5 million
- Option: 8 million

2. What plan were borrowers initially told they were in?

- Option: Saving on a Valuable Education (SAVE) Plan
- Option: Repayment Assistance Plan
- Option: Student Loan Relief Plan



Option: Borrower Benefit Plan

3. When will the notices be officially sent?

Option: June 1

Option: July 1

Option: August 1

Option: September 1

4. What may happen if borrowers do not change their repayment plans?

Option: Nothing

Option: They will be automatically switched to a different plan

Option: They will receive a penalty

Option: Their loans will be forgiven

5. What do some groups advise borrowers to do regarding the new notices?

Option: Act immediately

Option: Wait for official notices

Option: Change plans quickly

Option: Ignore the emails

6. What is a potential issue mentioned by the Education Department that borrowers may face?

Option: High interest rates

Option: Backlog of applications

Option: Reduced repayment options

Option: Short loan terms

True-False

7. The SAVE plan is still active and borrowers are being advised to stay in it.

8. Borrowers must act immediately to avoid being moved to a new repayment plan.

9. The 90-day period for borrowers to change plans has already started.

10. Some groups claim that the notices are just a scare tactic.

11. There may be many new applications for repayment plans this summer.



12. Borrowers are encouraged to act now to avoid delays.

Gap-Fill

13. Borrowers have to change their repayment plans within a _____ period.

14. The Education Department sent notices to _____ million borrowers.

15. The notice warns that borrowers should choose a _____ repayment plan.

16. Some organizations suggest waiting for _____ notices.

17. The backlog of applications is a concern for the Education _____.

18. The Saving on a Valuable Education (SAVE) Plan was ended by a court _____.

Answer

Multiple Choice: 1. 7.5 million 2. Saving on a Valuable Education (SAVE) Plan 3. July 1 4. They will be automatically switched to a different plan 5. Wait for official notices 6. Backlog of applications

True-False: 7. False 8. False 9. False 10. True 11. True 12. True

Gap-Fill: 13. 90-day 14. 7.5 15. new 16. official 17. Department 18. order

CATEGORY

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Date Created

2026/05/27

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