



Understanding Federal Loan Benefits

The Lela RefiHELP loan is a private student loan. If you're thinking of refinancing any federal student loans into a Lela RefiHELP 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 and Benefits

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 of 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.

Lela RefiHELP Loan Information and Benefits

While the Lela RefiHELP loan does not feature benefits for borrowers that are as extensive as federal loans, the Lela RefiHELP loan does have some protections available to borrowers and cosigners who may need assistance.

- Borrowers with Lela RefiHELP loans that have 10-year or 15-year repayment terms may be eligible for graduated repayment plans.
- Lela does offer forbearance options for borrowers and the state of Louisiana does not allow unpaid interest to capitalize, so you won't be paying interest on top of interest if you use forbearance and do not pay interest during that time.
- It is Louisiana Education Loan Authority'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, Louisiana Education Loan Authority 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 Lela RefiHELP loan depending on active duty dates.
- Lela RefiHELP loans are eligible for interest-rate reductions.