
Joint Release

**Federal Deposit Insurance Corporation
Board of Governors of the Federal Reserve
System
Office of the Comptroller of the Currency**

For Immediate Release

July 25, 2013

Agencies Encourage Lenders to Work with Student Loan Borrowers

WASHINGTON — The federal bank regulatory agencies today issued a statement encouraging financial institutions to work constructively with private student loan borrowers experiencing financial difficulties. Prudent workout arrangements are consistent with safe and sound lending practices and are generally in the long-term best interest of both the financial institution and the borrower.

Student loan borrowers who are unemployed or underemployed may face hardship in making payments on their private student loan debts after separation from school or during periods of economic difficulty. Current interagency guidance permits prudent workout and modification programs for retail loans, including student loans, and provides that extensions, deferrals, renewals, and rewrites may be used to help borrowers overcome temporary financial difficulties. Institutions that have private student loan workout programs should provide borrowers with information that clearly explains the programs, including eligibility criteria and the process for requesting a modification.

The statement is being issued by the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of the Comptroller of the Currency.

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Attachment:

Agencies Encourage Financial Institutions to Work with Student Loan Borrowers Experiencing Financial Difficulties
Agencies Encourage Financial Institutions to Work with Student Loan Borrowers Experiencing Financial Difficulties - PDF (PDF Help)

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