



MARYLAND COMMISSIONER OF FINANCIAL REGULATION CONSUMER ADVISORY



September 9, 2021

Information for Consumers: Federal Student Loan Servicer Announcement – Granite State to Cease Servicing Federal Student Loans

In July 2021, Granite State Management and Resources, also doing business as New Hampshire Higher Education Loan Corporation (Granite State), announced that it would stop servicing federal student loans when its contract with the U.S. Department of Education, Office of Federal Student Aid (FSA) ends on December 31, 2021. On August 20, 2021, the FSA announced that over the next two to three months, loan transfers would begin for those federal student loans currently held by Granite State to EdFinancial Services (EdFinancial). This change will not impact the existing terms, conditions, interest rates, loan discharge or forgiveness programs, or available repayment plans on these loans. In addition, temporary payment suspension and 0% interest benefits borrowers are currently receiving due to the COVID 19 emergency will not change. The FSA expects to transfer all Granite State federal student loans to EdFinancial by December 31, 2021.

In anticipation of these changes, if you are a Maryland student loan borrower whose loans are being serviced by Granite State you should:

- Make sure that your contact information with Granite State, including email, is up to date.
- Continue making your regular monthly student loan payments to Granite State if you are currently doing so.
- Expect that the FSA and Granite State will communicate with you, via your most up to date email or postal mail address, in advance of and after the transfer of your loan to EdFinancial.
- Begin sending student loan payments to EdFinancial (your new student loan servicer) once you have been informed, via email or postal mail, that your account has been successfully transferred.

In addition, here's what you can do now to prepare for the servicing changes and to mitigate the risk of your records being potentially incomplete or unavailable as a result of the transfer of your student loan:

Retain a Hard Copy of Your Payment Records

Retaining a hard copy of your payment history with your current servicer is important in the event that there is a dispute with your new servicer about your prior payments made. Be aware that banks typically only keep account statements for five years. Should a dispute arise, you may have to rely on your hard copy of your bank account records to prove that you made your payments.

Keep Copies of All Your Correspondence with Your Servicer

You should keep a copy (both paper and electronic) of all letters and notices that your loan servicer sends to you and vice versa. You may need the prior correspondence as proof of transactions, payments, loan repayment programs, or corrections to your account. Servicers typically do not retain correspondence for more than a few years, and correspondence records may not be transferred to your new loan servicer.

Monitor Your Payments and Auto-Debits

You should monitor your online student loan accounts on a monthly basis to make sure that your account is correct and to avoid unexpected late fees, potential lost payments, processing problems, or missing records. If you have an automatic payment plan and your loans are transferred to a new servicer, you will most likely have to re-establish the automatic payment plan with that new servicer. In addition, you should also monitor your checking account to ensure that your monthly payments are being debited as required.

Monitor Your Credit Report

Monitor your credit report in order to identify any potential erroneous negative credit reporting that may potentially arise during the loan servicing transfer. You have the right to have your student loan information accurately reported to credit reporting agencies, including the correction of information that may have been previously reported inaccurately.

Contact your loan servicer online or by phone to determine how your loan is impacted and when you can expect to have your loan transferred.

You should also regularly visit [Granite State](#) and the FSA's respective websites (see below) to keep up with the latest developments.

Visit StudentAid.gov/granitestate for details about the announcement regarding the loan transfer and StudentAid.gov/articles/your-loan-was-transferred-whats-next/ for details on the loan transfer process.

For more information about your rights as a student loan borrower in Maryland, *see* the [Maryland Student Loan Borrower's Bill of Rights](#), available for download [here](#).

MORE RESOURCES

If you need assistance with your student loan servicer, contact the [Student Loan Ombudsman](#) in the Commissioner's Office by email at studentloan.ombudsman@maryland.gov or by phone at (410) 230-6185.

The U.S. Department of Education, Office of Federal Student Aid has information on [coronavirus and forbearance for students, borrowers, and parents](#).

The Consumer Financial Protection Bureau has information on [protecting your finances during the coronavirus pandemic](#) and [student loans and the coronavirus pandemic](#).

The Office of the Commissioner of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at www.labor.maryland.gov/finance.

