STUDENT LOAN FORGIVENESS AND REPAYMENT: WHAT YOU NEED TO KNOW

IUPUI
OFFICE OF STUDENT FINANCIAL SERVICES
INDIANA UNIVERSITY–PURDUE UNIVERSITY INDIANAPOLIS
Student Loan Forgiveness and Repayment Agenda

• Preparing for Repayment

• Federal Repayment Plans

• Overview of the Public Service Loan Forgiveness (PSLF) Program

• Question and Answer Session
From here to repayment...

• IUPUI updates your enrollment status.

• Your grace period begins.

• Your student loan servicer sends you details about your first payment.

• Your grace period ends.

• You make your first payment.
Preparing for Repayment

1. Complete Exit Counseling.
Exit Counseling

• Exit counseling is an online process administered by the Department of Education.
• Provides personalized information based on your specific borrowing history.
• Completed at studentloans.gov.

• NOTE: Students who have borrowed Perkins, Miller, or other institutional loans will complete exit counseling through the IU Student Loan Administration at myloanencounseling.com.
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
What is a servicer?

- Organization assigned by the federal government to assist you with student loan repayment.
- Notifies you of upcoming due dates and payment amounts.
- Provides you with important documents that can be used for tax savings.
- In most cases, all of your federal loans will have the same servicer.
- Private loans are serviced by the company that issued them.
Loan Servicers

NAVIENT

GREAT LAKES

fedloan

nelnet

CornerStone

EdFinancial Services

OSLA

MOHELA

IUPUI
Locating Your Servicer

- If you are uncertain of your loan servicer, you can find the organization’s name and contact information through:
  
  
  – Federal Student Aid Online: https://studentaid.ed.gov/sa/
Loan Servicers

nslds.ed.gov

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.

Financial Aid Review

nslds.ed.gov
Loan Servicers

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Loan Amount</th>
<th>Loan Date</th>
<th>Disbursed Amount</th>
<th>Canceled Amount</th>
<th>Outstanding Principal</th>
<th>Outstanding Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DIRECT STAFFORD UNSUBSIDIZED</td>
<td>$2,000</td>
<td>06/20/2010</td>
<td>$2,000</td>
<td>$0</td>
<td>$2,000</td>
<td>$73</td>
</tr>
<tr>
<td>2 DIRECT STAFFORD SUBSIDIZED</td>
<td>$4,500</td>
<td>08/20/2010</td>
<td>$4,500</td>
<td>$0</td>
<td>$4,500</td>
<td>$0</td>
</tr>
<tr>
<td>3 DIRECT STAFFORD SUBSIDIZED</td>
<td>$2,750</td>
<td>07/02/2010</td>
<td>$2,750</td>
<td>$0</td>
<td>$2,750</td>
<td>$0</td>
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<tr>
<td>4 DIRECT STAFFORD UNSUBSIDIZED</td>
<td>$1,000</td>
<td>07/02/2010</td>
<td>$1,000</td>
<td>$0</td>
<td>$1,000</td>
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</tr>
<tr>
<td>5 DIRECT STAFFORD SUBSIDIZED</td>
<td>$2,750</td>
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<td>$2,750</td>
<td>$0</td>
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<tr>
<td>6 DIRECT STAFFORD UNSUBSIDIZED</td>
<td>$1,000</td>
<td>05/12/2010</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>7 STAFFORD UNSUBSIDIZED</td>
<td>$1,000</td>
<td>09/02/2009</td>
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<td>$1,000</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td>9 STAFFORD SUBSIDIZED</td>
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<td>08/07/2009</td>
<td>$4,500</td>
<td>$0</td>
<td>$4,500</td>
<td>$0</td>
</tr>
<tr>
<td>10 STAFFORD UNSUBSIDIZED</td>
<td>$6,000</td>
<td>08/07/2009</td>
<td>$6,000</td>
<td>$0</td>
<td>$6,000</td>
<td>$631</td>
</tr>
<tr>
<td>11 STAFFORD UNSUBSIDIZED</td>
<td>$3,000</td>
<td>05/06/2009</td>
<td>$3,000</td>
<td>$0</td>
<td>$3,000</td>
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<tr>
<td>12 STAFFORD SUBSIDIZED</td>
<td>$2,250</td>
<td>04/10/2009</td>
<td>$2,250</td>
<td>$0</td>
<td>$2,250</td>
<td>$0</td>
</tr>
</tbody>
</table>
### Loan Servicers

#### Amounts and Dates

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Outstanding Principal Balance</th>
<th>Outstanding Principal Balance As of Date</th>
<th>Outstanding Interest Balance</th>
<th>Outstanding Interest Balance As of Date</th>
<th>Interest Rate</th>
<th>Canceled Amount</th>
<th>Canceled Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,500</td>
<td>$0</td>
<td>11/06/2013</td>
<td>$0</td>
<td>11/06/2013</td>
<td>FIXED</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

#### Disbursement(s) and Status(es)

<table>
<thead>
<tr>
<th>Disbursement Date</th>
<th>Disbursement Amount</th>
<th>Loan Status</th>
<th>Status Description</th>
<th>Status Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/03/2013</td>
<td>$10,250</td>
<td>PN</td>
<td>NON-DEFAULTED, PAID IN FULL THROUGH CONSOLIDATION LOAN</td>
<td>11/06/2013</td>
</tr>
<tr>
<td>08/13/2012</td>
<td>$10,250</td>
<td>IG</td>
<td>INGrace Period</td>
<td>05/06/2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IA</td>
<td>LOAN ORIGINATED</td>
<td>08/13/2012</td>
</tr>
</tbody>
</table>

#### Servicer/Lender/Guaranty Agency/ED Servicer Information

<table>
<thead>
<tr>
<th>Contact Type</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current ED Servicer:</td>
<td>DEPT OF ED/GREAT LAKES</td>
</tr>
<tr>
<td></td>
<td>PO BOX 530229</td>
</tr>
<tr>
<td></td>
<td>ATLANTA</td>
</tr>
<tr>
<td></td>
<td>GA 303530229</td>
</tr>
<tr>
<td></td>
<td>800-236-4300</td>
</tr>
<tr>
<td></td>
<td>mygreatlakes.org</td>
</tr>
</tbody>
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Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
3. Create an online account.
Create an Online Account

• Gives you real-time access to your student loan status.

• Provides you with important information about managing your loans.

• Maintains electronic copies of important loan documents, including valuable tax statements.
Create an Online Account

• Allows you to:
  – Confirm or update your contact information.
  – Indicate how you’ll receive communication from your servicer.
  – Make payments online.
  – Set up other authorized payers.
  – Easily allocate extra payments to specific loans.
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
3. Create an online account.
4. Make an interest payment, if necessary and possible.
Student Loan Interest

• Accrues daily.

• Starts to accrue at disbursement.

• For subsidized loans, the government covers your interest until you start repayment.
  – Except for loans disbursed between July 1, 2012 and July 1, 2014.

• You can request a total or review online.
# Student Loan Interest

<table>
<thead>
<tr>
<th>Interest rate:</th>
<th>6.21%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate type:</td>
<td>Fixed</td>
</tr>
<tr>
<td></td>
<td>Unsubsidized</td>
</tr>
<tr>
<td>First payment due date:</td>
<td>N/A</td>
</tr>
<tr>
<td>Date of last attendance:</td>
<td>05/31/2016</td>
</tr>
<tr>
<td>Loan status:</td>
<td>In School</td>
</tr>
<tr>
<td>Start date:</td>
<td>08/20/2014</td>
</tr>
</tbody>
</table>

## Payment Information

- **Monthly payment amount:** $0.00
- **Accrued borrower interest:** $23.55
- **Next payment due:** N/A
- **Last payment received:** N/A
- **Current payment method:** N/A
- **Current payment plan:** N/A

*Use Loan Payoff Calculator to determine your payoff amount.*
Student Loan Interest

• Interest is assessed on the amount that you borrowed.
• Interest is capitalized at the time repayment starts.
• When interest is capitalized, it is added to the amount that you borrowed.
• This total becomes your new principal balance.
• Moving forward, interest is charged on this amount.
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
3. Create an online account.
4. Make an interest payment, if necessary and possible.
5. Review your repayment plan options.
Federal Student Loan Repayment Plans

The Department of Education has eight different payment plans that borrowers may be eligible to use to repay their federal student loans.
Overview of Federal Loan Repayment Plans

- Standard
- Graduated
- Extended

Borrowing-Based

Income-Driven
- Pay As You Earn (PAYE)
- Revised Pay As You Earn (REPAYE)
- Income-Based Repayment (IBR)
- IBR for New Borrowers
- Income-Contingent Repayment (ICR)
- Income-Sensitive Repayment (ISR)

Borrower-Based
# Borrowing-Based Repayment Plans

<table>
<thead>
<tr>
<th></th>
<th>Standard</th>
<th>Graduated</th>
<th>Extended Fixed</th>
<th>Extended Graduated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term</strong></td>
<td>Up to 10 years</td>
<td>Up to 10 years</td>
<td>Up to 25 years</td>
<td>Up to 25 years</td>
</tr>
<tr>
<td><strong>Monthly Amount</strong></td>
<td>Fixed</td>
<td>Starts low. Increases every 2 years.</td>
<td>Fixed</td>
<td>Starts low. Increases every few years.</td>
</tr>
</tbody>
</table>
# Borrower-Based Repayment Plans

<table>
<thead>
<tr>
<th></th>
<th>PAYE</th>
<th>REPAYE</th>
<th>IBR</th>
<th>New IBR</th>
<th>ICR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term</strong></td>
<td>Up to 20 years</td>
<td>Up to 20 (or 25) years</td>
<td>Up to 25 years</td>
<td>Up to 20 years</td>
<td>Up to 25 years</td>
</tr>
<tr>
<td><strong>Monthly Amount</strong></td>
<td>10% Discretionary Income</td>
<td>10% Discretionary Income</td>
<td>15% Discretionary Income</td>
<td>10% Discretionary Income</td>
<td>20% Discretionary Income</td>
</tr>
<tr>
<td><strong>Loans</strong></td>
<td>Direct</td>
<td>Direct</td>
<td>Direct &amp; FFEL</td>
<td>Direct</td>
<td>Direct</td>
</tr>
<tr>
<td><strong>Notes</strong></td>
<td>New as of 10/1/2007</td>
<td></td>
<td>New as of 7/1/2014</td>
<td>Parent PLUS eligible</td>
<td></td>
</tr>
</tbody>
</table>
Types of Federal Student Loans

• Direct Loans
  – A federal student loan, made through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating schools.
  – Includes Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans and Direct Consolidation Loans.

• Federal Family Education Loan (FFEL) Program Loans
  – Private lenders provided loans to students that were guaranteed by the federal government.
Federal Student Loan Programs

- As of July 1, 2010, all new loans are Direct Loans.
- Access your Financial Aid Review through NSLDS or StudentAid.ed.gov to see what type of loans you have.

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<td>$0</td>
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Borrower-Based Repayment Plans

- Based on AGI, household size, and state of residence.
- Must reapply every year.
- Payments can be as low as $0. Highest possible payments vary based on specific repayment plan.
- Some plans allow for negative amortization.
- IBR, PAYE, and REPAYE offer an interest subsidy during negative amortization for first 3 years.
- At end of loan term, any remaining principal and interest is forgiven but is considered taxable income.
Let’s put it together with an example.
<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>First Monthly Payment</th>
<th>Last Monthly Payment</th>
<th>Total Amount Paid</th>
<th>Projected Loan Forgiveness</th>
<th>Repayment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$311</td>
<td>$311</td>
<td>$37,311</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Graduated</td>
<td>$174</td>
<td>$521</td>
<td>$38,865</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>$160</td>
<td>$160</td>
<td>$48,068</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>$98</td>
<td>$293</td>
<td>$52,552</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>$102</td>
<td>$377</td>
<td>$46,315</td>
<td>$0</td>
<td>219 months</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$102</td>
<td>$311</td>
<td>$46,351</td>
<td>$0</td>
<td>222 months</td>
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<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$152</td>
<td>$311</td>
<td>$41,274</td>
<td>$0</td>
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<td>$240</td>
<td>$41,715</td>
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<td>190 months</td>
</tr>
</tbody>
</table>

$31,000 in loans, 3.76% interest
Single, $30,000 income
Borrowing-Based Repayment Plans

Monthly Payment Amounts

- Standard
- Graduated
- Extended Fixed
- Extended Graduated
Borrower-Based Repayment Plans

Monthly Payment Amounts

- REPAYE
- PAYE
- IBR
- ICR
Finding Your Repayment Plan

• Use the Department of Education’s Repayment Estimator
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
3. Create an online account.
4. Make an interest payment, if necessary and possible.
5. Review your repayment plan options.
6. Create a spending plan.
Create a Spending Plan

• Income and expenses can change dramatically after graduation.

• Student loans join rent, cell phone, food, car payments, and others as a regular monthly bill.

• Know before you owe how your payment will fit in with your other costs.
Create a Spending Plan

• Use your financial goals to make smart short- and long-term decisions about your student loan repayment plan.

• Free apps and online tools can help you plan and track.

• Your servicer has valuable information to help you create your plan.

• Start “paying” your loan before the end of your grace period.
Additional Payment Information

• Amounts paid above and beyond the required monthly payment will reduce outstanding principal balance as long as accrued interest and any outstanding late charges are paid.

• You can specify where you want extra payments to go.

• There is no prepayment penalty on federal student loans. You can pay off all or part of your outstanding loan balance at any time.
Additional Payment Information

• Delinquency
  – Added fees and incur more interest.
  – Difficulty obtaining credit and collection costs.

• Default (270+ days delinquent)
  – Federal and state income tax refunds can be withheld.
  – May not be able to obtain professional license.
  – May not be hired by employers who do credit checks.
  – Subject to administrative wage garnishment.
  – No more eligibility for federal aid.
  – Loan immediately due and payable in full.
Additional Payment Information

• Forbearance and deferment opportunities exist if you are experiencing a financial hardship.

• You can also explore income-driven repayment plans.

• Contact your loan servicer for more information.
Loan Discharge

- Death
- Totally or permanently disabled and meet requirements
- Unable to complete degree due to the school closing
- School falsely processes a loan or crime of identity theft
- School failed to refund required loan funds to lender on student’s behalf.
- Bankruptcy – prove to the bankruptcy court repaying the loan would cause undue hardship.
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
3. Create an online account.
4. Make an interest payment, if necessary and possible.
5. Review your repayment plan options.
6. Create a spending plan.
7. Select a repayment plan.
Repayment Plan Selection Thoughts

- Sooner is better.
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</tr>
</tbody>
</table>
Repayment Plan Selection Thoughts

- Sooner is better.
- The more you pay, the less you pay.
By paying more each month, you'll pay less overall.
Pay More Than Is Required

<table>
<thead>
<tr>
<th>Required Payment</th>
<th>Extra Payment</th>
<th>Interest Savings</th>
<th>Time Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$310.92</td>
<td>$0.00</td>
<td>0</td>
<td>0 months</td>
</tr>
<tr>
<td>$310.92</td>
<td>$10.00</td>
<td>$248.95</td>
<td>4 months</td>
</tr>
<tr>
<td>$310.92</td>
<td>$25.00</td>
<td>$587.17</td>
<td>10 months</td>
</tr>
<tr>
<td>$310.92</td>
<td>$50.00</td>
<td>$1,073.14</td>
<td>19 months</td>
</tr>
<tr>
<td>$310.92</td>
<td>$100.00</td>
<td>$1,831.03</td>
<td>33 months</td>
</tr>
</tbody>
</table>

Paying more than the required monthly amount saves you money on interest over the life of the loan and allows you to pay off your loan sooner.
Repayment Plan Selection Thoughts

- Sooner is better.
- The more you pay, the less you pay.
- Cheaper isn’t always better.
<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>First Monthly Payment</th>
<th>Last Monthly Payment</th>
<th>Total Amount Paid</th>
<th>Projected Loan Forgiveness</th>
<th>Repayment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$311</td>
<td>$311</td>
<td>$37,311</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Graduated</td>
<td>$174</td>
<td>$521</td>
<td>$38,865</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>$160</td>
<td>$160</td>
<td>$48,068</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>$98</td>
<td>$293</td>
<td>$52,552</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>$102</td>
<td>$377</td>
<td>$46,315</td>
<td>$0</td>
<td>219 months</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$102</td>
<td>$311</td>
<td>$46,351</td>
<td>$0</td>
<td>222 months</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$152</td>
<td>$311</td>
<td>$41,274</td>
<td>$0</td>
<td>166 months</td>
</tr>
<tr>
<td>IBR for New Borrowers</td>
<td>$102</td>
<td>$311</td>
<td>$46,351</td>
<td>$0</td>
<td>222 months</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>$197</td>
<td>$240</td>
<td>$41,715</td>
<td>$0</td>
<td>190 months</td>
</tr>
</tbody>
</table>

While a plan with a lower monthly payment may be attractive, it may result in you paying more overall and being in repayment longer.
How To Select A Repayment Plan

• Loans will enter repayment under the Standard Repayment Plan unless you choose another plan.

• To select a different repayment plan:
  – Indicate preference when completing exit counseling session.
  – Contact federal student loan servicer.
  – Complete a request for an income-driven repayment plan at www.studentloans.gov.
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
3. Create an online account.
4. Make an interest payment, if necessary and possible.
5. Review your repayment plan options.
6. Create a spending plan.
7. Select a repayment plan.
8. Sign up for automatic debit.
Automatic Debit for Payments

• Loan payments are automatically deducted from your bank account each month.

• Why enroll?
  – You have to make the payments anyway.
  – Ensures that payments are made on time.
  – Most borrowers qualify for a 0.25% interest rate reduction when on-time payments are made through automatic debit.
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
3. Create an online account.
4. Make an interest payment, if necessary and possible.
5. Review your repayment plan options.
6. Create a spending plan.
7. Select a repayment plan.
8. Sign up for automatic debit.
9. Explore loan forgiveness opportunities.
Loan Forgiveness Programs

- Remaining balance may be forgiven at end of repayment term for PAYE, REPAYE, IBR, and ICR (but forgiven amount is taxable).
- Federal Teacher Loan Forgiveness Program.
- AmeriCorps, PeaceCorps, and National Health Service Corps offer loan repayment assistance.
- Employers may offer loan repayment assistance.
- Other forgiveness opportunities exist through government agencies or private organizations.
- Public Service Loan Forgiveness Program.
What is the Public Service Loan Forgiveness (PSLF) Program?

The PSLF Program is intended to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, you may qualify for forgiveness of the remaining balance due on your William D. Ford Federal Direct Loan Program (Direct Loan Program) loans after you have made 120 qualifying payments on those loans while employed full-time by certain public service employers.
PSLF Requirements

- Make 120 qualifying payments
- Work for a qualifying public service organization
- Maintain a full-time employment status
- Have eligible loan types
- Make payments under an eligible repayment plan
PSLF QUALIFYING PAYMENTS
PSLF Qualifying Payments

• Must have been made after October 1, 2007.
• Must be on-time (no later than 15 days after the scheduled due date).
• Must be a required payment. Cannot be made when the loan is in a grace period, deferment, forbearance, or default status.
• Must be made each month, satisfying in full the installment amount due for that month.
PSLF Qualifying Payments

- Must have been made while working full-time for qualifying public service employers.
- Must have been made under an eligible repayment plan.

- Must make 120 payments that meet all of these conditions.
- Do not need to be made consecutively.
PSLF QUALIFYING EMPLOYERS
PSLF Qualifying Employers

- Federal, State, local, or Tribal government organization, agency, or entity;
- Public child or family service agency;
- Tribal college or university;
- AmeriCorps or Peace Corps;
- A not-for-profit organization that is tax exempt under section 501(c)(3) of the Internal Revenue Code; or
PSLF Qualifying Employers

- A private not-for-profit organization (that is not a labor union or a partisan political organization) that provides at least one of the following public services:
  - Emergency management
  - Military service
  - Public safety
  - Law enforcement
  - Public interest law services
  - Early childhood education (including licensed or regulated child care, Head Start, and state-funded pre-kindergarten)
  - Public service for individuals with disabilities and the elderly
  - Public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations)
  - Public education
  - Public library services
  - School library services
  - Other school-based services
PSLF Qualifying Employers

• The specific job that you perform does not matter, as long as you are employed by an eligible organization.
• Does not include staff of for-profit contractors working for public service organizations.
• To confirm that your employer qualifies:
  – Speak with your HR Department
  – Government: www.usa.gov/agencies.shtml
  – Nonprofit 501(c)(3) and Private Nonprofits: http://www.irs.gov/Charities-&-Non-Profits
PSLF QUALIFYING
FULL-TIME EMPLOYMENT
PSLF Full-Time Employment

• To be considered full-time, you must work:
  – The number of hours your employer considers full-time (as long as your annual average is at least 30 hours per week),
  – A combined annual average of at least 30 hours per week if working for two or more employers, or
  – An average of at least 30 hours per week for at least 8 months of the year if a contract employee.

• **NOTE:** For purposes of the full-time requirement with a Section 501(c)(3) not-for-profit or other private not-for-profit public service organization, your qualifying employment does not include time spent on job duties that are related to religious instruction, worship services, or any form of proselytizing.
PSLF Full-Time Employment

• Employer-provided leave time (vacation, PTO, FMLA, etc.) counts as hours worked when determining your full-time status.

• Employment does not have to be for the same employer during repayment.
PSLF ELIGIBLE LOANS
PSLF Eligible Loans

- Federal Direct Subsidized and Unsubsidized Loans
- Federal Direct PLUS Loans for parents and graduate or professional students
- Federal Direct Consolidation Loans
- Special Direct Consolidation Loans

- Private loans and Federal Family Education Loan Program loans are not eligible.
PSLF Eligible Loans

- Loan forgiveness under PSLF is available only for loans made and repaid under the Direct Loan Program.
- Loans made under other federal student loan programs may qualify for forgiveness if they are consolidated into a Direct Consolidation Loan.
- Only payments made on the Direct Consolidation Loan will count toward the required 120 monthly payments.
PSLF Eligible Loans

Loan Consolidation Considerations

• Loan consolidation can simplify repayment and lower monthly payments.
• Consolidated loans offer fixed interest rates and (generally) longer repayment terms.
• Benefits acquired under current loans may be lost if the loans are consolidated.
• Interest rate on consolidated loans is the weighted average of the interest rates of the original loans, rounded up to nearest 1/8 of 1%.
• Consolidation eliminates any remaining grace period on the original loans.
• May not need to consolidate in order to gain some of the benefits of consolidation or to qualify for PSLF.
PSLF ELIGIBLE REPAYMENT PLANS
PSLF Eligible Repayment Plans

- Pay As You Earn (PAYE) Repayment Plan
- Revised Pay As You Earn (REPAYE) Repayment Plan
- Income-Based Repayment (IBR) Plan
- Income-Contingent Repayment (ICR) Plan
- Standard Repayment Plan with a 10-year repayment period
- Any other Direct Loan Program repayment plan with payments that are at least equal to the monthly payment amount that would have been required under the Standard Repayment Plan with a 10-year repayment period
PSLF Benefits

Use the Repayment Estimator to estimate your federal student loan payments under each repayment plan.

Sign In
To view estimates based on your actual loan information

Or

Proceed
To continue to the Repayment Estimator without signing in
PSLF Benefits

3. Your Income

Adjusted Gross Income (AGI)

Spouse Adjusted Gross Income (AGI)

Family Size

State of Residence: INDIANA

Show payment estimates under Public Service Loan Forgiveness (PSLF)

Calculate Results
# PSLF Benefits

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>First Monthly Payment</th>
<th>Last Monthly Payment</th>
<th>Total Amount Paid</th>
<th>Public Service Loan Forgiveness</th>
<th>Repayment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$582</td>
<td>$582</td>
<td>$69,859</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Graduated</td>
<td>$326</td>
<td>$977</td>
<td>$72,927</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>$304</td>
<td>$304</td>
<td>$91,052</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>$192</td>
<td>$543</td>
<td>$99,570</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>$102</td>
<td>$206</td>
<td>$18,071</td>
<td>$59,876</td>
<td>120 months</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$102</td>
<td>$206</td>
<td>$18,071</td>
<td>$62,429</td>
<td>120 months</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$152</td>
<td>$309</td>
<td>$27,106</td>
<td>$53,113</td>
<td>120 months</td>
</tr>
<tr>
<td>IBR for New Borrowers</td>
<td>$102</td>
<td>$206</td>
<td>$18,071</td>
<td>$62,429</td>
<td>120 months</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>$302</td>
<td>$421</td>
<td>$45,504</td>
<td>$30,531</td>
<td>120 months</td>
</tr>
</tbody>
</table>
What can you do now?

- Check to see if you have qualifying loans by reviewing your federal borrowing history.

- Explore loan consolidation if necessary.

- Contact your loan servicer to enroll in a qualifying income-driven repayment plan (PAYE, REPAYE, IBR, or ICR).

- Stay current on your federal student loan payments. If you cannot pay, take action.
What can you do now?

- Document any qualifying employment in the past and start documenting qualifying employment moving forward.
Why would I not do this?

- You don’t plan to work for a public service employer.
- You don’t plan to work for a public service employer for 10 years.
- You have a low loan balance.
- You have very high income.
- You want to pay off your loans in less than 10 years.

- If PSLF is not a good fit, other loan forgiveness and assistance opportunities exist.
Effective Loan Management

• Create an online account with your student loan servicer.
• Review your loan and bank accounts monthly to ensure payment has been received and applied.
• Keep your contact information and bank account information updated.
• Reapply each year if using an income-driven repayment plan.
• Take advantage of tax savings.
Saving Money on Your Loans

• Pay the interest on your loans before entering repayment.
• Enroll in auto debit payments with your servicer.
• Avoid delinquency and default.
• Pay more than is required.
• Select the best repayment plan for your financial goals.
• Explore loan forgiveness opportunities.
Questions?

Contact your loan servicer or the Office of Student Financial Services at finaid@iupui.edu.