STUDENT LOAN FORGIVENESS AND REPAYMENT: WHAT YOU NEED TO KNOW

IUPUI
OFFICE OF STUDENT FINANCIAL SERVICES
INDIANA UNIVERSITY–PURDUE UNIVERSITY INDIANAPOLIS
Repayment Plans
Loan Forgiveness
Knowing What To Expect
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.
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
Preparing for Repayment

1. Complete Exit Counseling.
Exit Counseling

• Exit counseling helps you know:
  – Your rights and responsibilities as a student loan borrower.
  – Your overall federal loan debt.
  – Your interest rates and the effect of interest capitalization.
  – Available repayment plans.
  – More about financial planning.

• Exit counseling is an online process administered by the Department of Education.
Exit Counseling

Choose Loan Counseling Type

A counseling session will take at least 30 minutes to complete. You must complete the counseling in a single session. You cannot save a partially completed counseling session.

- Entrance Counseling Required
  - Entrance counseling is required before you can receive your first Direct Subsidized Loan, or Direct Unsubsidized Loan as an undergraduate, or your first Direct PLUS Loan as a graduate/professional student.

- Financial Awareness Counseling
  - Financial Awareness Counseling provides tools and information to help you understand your financial aid and help you manage your finances.
  - Complete this counseling any time.

- Exit Counseling Required
  - Exit counseling is required when you graduate, leave school, or drop below half-time enrollment @. Exit counseling provides important information you need to prepare to repay your federal student loan(s).
  - At the end, you’ll need to provide the name, address, e-mail address, and telephone number for your next of kin, two references who live in the U.S., and current or expected employer (if known).

Useful Information to Have Start

IUPUI
Exit Counseling

You are currently not signed in!
Sign in to view your federal student loan data, notify schools of counseling completion, and save proof of counseling completion. If you are not signed in, you cannot meet requirements for completing counseling.

Your Student Loans

Estimated Student Loan Balance: $0

You must repay the full amount of your federal student loans, even if you:

- Don’t complete your program of study.
- Can’t find employment after graduation.
- Aren’t satisfied with or didn’t receive the education or other services that you paid for with your federal student loans.

Your estimated student loan balance should reflect what you owe in student loans. Use the “Add Loan” feature to add any loan amount(s) that are missing from the list below, such as any private student loans you may have taken out in addition to your federal student loans.

Additional Loans

Add Loan

Use the calculator tool to estimate your total loan obligation upon graduation.

Loan Basics

Direct and FFEL Loans - Loans made under the William D. Ford Federal Direct Loan (Direct Loan) Program and the Federal Family
Exit Counseling

Students who have borrowed Perkins, Miller, Health Profession, Nurse Faculty Loan Program, or other institutional loans must complete exit counseling through the IU Student Loan Administration at iuexit.uasexit.com.
Exit Counseling Terminology

• **Loan** – money borrowed from a lending institution or the Department of Education

• **Grace Period** – six-month period after a student graduates, leaves school, or drops below half-time enrollment. Repayment begins after the grace period ends.

• **Master Promissory Note (MPN)** - legally binding document a student signs agreeing to repay their loans.
Exit Counseling Terminology

- **Lender** – a bank, credit union, lending institution or the *Department of Education*.

- **Loan Holder** - the entity that holds the MPN and has the right to collect the repayment on the loan.

- **Loan Servicer** – an organization that handles and performs servicing functions on behalf of the lender.
Preparing for Repayment

1. Complete Exit Counseling.
2. Determine your servicer.
Loan Servicers

NAVIENT

GREAT LAKES

fedloan

nelnet

CornerStone

EdFinancial

MOHELA

IUPUI
Who is my servicer?

• Your servicer has been contacting you since your loans started to disburse.

• Your servicer will be contacting you even more as you get ready to repay your loans.

• Servicers notify you of upcoming payment due dates and amounts.

• 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

National Student Loan Data System (NSLDS)

Retrieve Your Loan Information

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. The NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV can access and inquire about their Title IV loan and grant data.
## 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>
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<tbody>
<tr>
<td>DIRECT STAFFORD UNSUBSIDIZED</td>
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# Loan Servicers

## Amounts and Dates

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<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>
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<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>
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## 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>
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<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>
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<td>IG</td>
<td>IN GRACE PERIOD</td>
<td>05/06/2013</td>
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<tr>
<td></td>
<td></td>
<td>IA</td>
<td>LOAN ORIGINATED</td>
<td>08/13/2012</td>
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</table>

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

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

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

Register for Manage My Account

 Nelnet is your student loan service! We handle all payments and customer service inquiries on your student loans. Register now to access your account online. Or click here to learn more about Nelnet.

What's the registration process?
What can I do with Manage My Account?

Create an Account

Social Security Number: *
Date of Birth: *
(mmmmddyyyy)

Username & Password
Create a User Name
Username requirements
Create a Password:
Password requirements
Re-Type Password:

* Indicates Required Field

Continue
Create an Online Account

• Gives you real-time access to your student loan status.
• Allows you to confirm or update your contact information.
• Allows you to determine how you’ll receive communication from your servicer and to retrieve past documentation.
• Provides you with important information about managing your loans.
Create an Online Account

WITH YOUR NEW NELNET.COM ACCOUNT, YOU CAN:

• Make payments
• Opt for eStatements
• Add authorized payers
• Change your message preferences
• Sign up for text alerts

• Change your repayment plan
• Sign up for automated payments through KwikPay®
• …and much more!
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**

- Starts to accrue on unsubsidized loans at disbursement.

- Starts to accrue on subsidized loans at time of repayment.
  - Except for loans disbursed between July 1, 2012 and July 1, 2014.

- **Accrues daily.**

- You can [request a total](#) or review online.
## Student Loan Interest

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate</td>
<td>6.21%</td>
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<tr>
<td>Interest rate type</td>
<td>Fixed</td>
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<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>
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<tr>
<td>Loan status</td>
<td>In School</td>
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<tr>
<td>Start date</td>
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</table>

### Payment Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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</thead>
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<tr>
<td>Monthly payment amount</td>
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<tr>
<td>Accrued borrower interest</td>
<td>$23.55</td>
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</tbody>
</table>

Past due

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past due amount</td>
<td>$0.00</td>
</tr>
<tr>
<td>Number of missed payments</td>
<td>N/A</td>
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<tr>
<td>Other charges</td>
<td>N/A</td>
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</tbody>
</table>

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.
Student Loan Interest

$5,500 @ 4.66%

$1,333.21 Interest

PAY

$5,500 Principal

$58 Monthly

DON’T PAY

$6,833.21 Principal

$71 Monthly
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 Loan Repayment Plans

• Standard
• Graduated
• Extended
• Income-Driven
  – Pay As You Earn (PAYE)
  – Income-Based Repayment (IBR)
  – Income-Contingent Repayment (ICR)
  – Income-Sensitive Repayment (ISR)
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.
Types of Federal Student Loans

- As of July 1, 2010, all new loans are Direct Loans.
- You can access your Financial Aid Review through NSLDS to see what type of loans they have.

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<td>$2,250</td>
<td>$0</td>
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Standard Repayment Plan

• Term: Up to 10 years
• Payment Amount: Same amount each month (minimum $50)
• Eligible Loans:
  • All Direct Loans
  • All FFEL Program loans

• Note: Some consolidated loans may have loan terms longer than 10 years.
Graduated Repayment Plan

• Term: Up to 10 years

• Payment Amount: Payments start out low and increase every two years. (Never less than the amount of interest)

• Eligible Loans:
  • All Direct Loans
  • All FFEL Program loans

• Note: Some consolidated loans may have loan terms longer than 10 years.
Extended Repayment Plan

- **Term:** Up to 25 years
- **Payment Amount:** Either fixed or graduated. Fixed payments are at least $50 per month.
- **Eligible Loans:**
  - All Direct Loans
  - All FFEL Program loans
- **A borrower may choose this plan if:**
  - They did not have an outstanding balance on a FFEL Program or Direct Loan as of October 7, 1998 or on the date they obtained a student loan after that date **and**
  - They have more than $30,000 in outstanding FFEL Program loans or more than $30,000 in outstanding Direct Loans.
Pay As You Earn (PAYE) Repayment Plan

• Term: Up to 20 years

• Payment Amount:
  – Based on your income and family size (10% of discretionary income);
  – Adjusted each year, based on changes to your annual income and family size;
  – Monthly payments are usually lower than they are under other plans;
  – Never more than the 10-year standard repayment amount

• Eligible Loans:
  – Direct Subsidized and Unsubsidized Stafford Loans
  – Direct PLUS Loans made to graduate or professional students
  – Direct Consolidation Loans that did not repay any Parent PLUS loans
  – Must have been a new borrower as of October 1, 2007 and received a disbursement of a Direct Loan after October 1, 2011.

• Borrower must demonstrate partial financial hardship to be eligible.
• Remaining balance forgiven at end of loan term.
Income-Based Repayment (IBR) Plan

- **Term:** Up to 25 years

- **Payment Amount:**
  - Based on your income and family size (15% of discretionary income);
  - Adjusted each year, based on changes to your annual income and family size;
  - Monthly payments are usually lower than they are under other plans;
  - Never more than the 10-year standard repayment amount

- **Eligible Loans:**
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
  - Direct Graduate PLUS Loans
  - Direct Consolidation Loans (without Parent PLUS loans)
  - Subsidized Federal Stafford Loans
  - Unsubsidized Federal Stafford Loans
  - FFEL PLUS Loans
  - FFEL Consolidation Loans

- Borrower must demonstrate partial financial hardship to be eligible.
- Remaining balance forgiven at end of loan term.
Income-Contingent Repayment (ICR) Plan

- **Term:** Up to 25 years
- **Payment Amount:**
  - Based on your adjusted gross income, your family size, and the total amount of your Direct Loans; and
  - The lesser of
    - the amount you would pay if you repaid your loan in 12 years multiplied by an income percentage factor that changes with your annual income or
    - 20 percent of your monthly discretionary income.
- **Eligible Loans:**
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
  - Direct Graduate PLUS Loans
  - Direct Consolidation Loans (except Direct PLUS consolidation loans)
- Remaining balance forgiven at end of loan term.
Income-Sensitive Repayment Plan

• Term: Up to 10 years

• Payment Amount:
  – increases or decreases based on your annual income

• Eligible Loans:
  – Subsidized and Unsubsidized Federal Stafford FFEL Loans
  – FFEL PLUS loans
  – FFEL Consolidation Loans
$31,000 in loans, 3.86% interest
Single, $30,000 income

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Repayment Period</th>
<th>Monthly Payment Initial to Final Amounts</th>
<th>Projected Loan Forgiveness</th>
<th>Total Interest Paid</th>
<th>Total Amount Paid</th>
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<tbody>
<tr>
<td>Standard*</td>
<td>120 months</td>
<td>$324 to $324</td>
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<td>$7,913</td>
<td>$38,913</td>
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<td>Graduated*</td>
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<td>$213 to $279</td>
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Standard Repayment Pros and Cons

• Pros:
  – Results in the lowest amount of interest paid on the loan.
  – Often results in the borrower being in repayment for the shortest period of time.

• Cons:
  – Often results in a monthly repayment amount that is higher than monthly payments under other repayments plans.
Extended and Graduated Repayment
Pros and Cons

• Pros:
  – Often results in a lower monthly repayment amount, especially at the time the borrower enters repayment.

• Cons:
  – Results in the borrower paying more interest over the life of the loan.
  – May result in monthly payments that are higher than the monthly repayment under the Standard plan.
Income-Driven Repayment Pros and Cons

• Pros:
  – Often results in a lower monthly repayment amount, especially at the time the borrower enters repayment.
  – May allow some of the loan balance to be forgiven under certain forgiveness programs.

• Cons:
  – Results in the borrower paying more interest over the life of the loan.
  – Borrower must reapply every year.
  – Remaining balance that is forgiven at the end of the loan term may be considered taxable income.
Finding Your Repayment Plan

• Use the Department of Education’s Repayment Estimator

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
Finding Your Repayment Plan

You have a choice of repayment plans. The chart below provides details about repayment plans and your estimated repayment information under each of the different plans. Your loan servicer will determine your eligibility for the repayment plans.

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Repayment Period</th>
<th>Monthly Payment</th>
<th>Projected Loan Forgiveness</th>
<th>Total Interest Paid</th>
<th>Total Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>120 months</td>
<td>$353 to $353</td>
<td>$0</td>
<td>$7,324</td>
<td>$42,324</td>
</tr>
<tr>
<td>Graduated</td>
<td>120 months</td>
<td>$197 to $591</td>
<td>$0</td>
<td>$9,134</td>
<td>$44,134</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>300 months</td>
<td>$183 to $183</td>
<td>$0</td>
<td>$19,845</td>
<td>$54,845</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>300 months</td>
<td>$114 to $331</td>
<td>$0</td>
<td>$24,970</td>
<td>$59,970</td>
</tr>
<tr>
<td>Pay As You Earn</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>188 months</td>
<td>$156 to $353</td>
<td>$0</td>
<td>$14,022</td>
<td>$49,022</td>
</tr>
<tr>
<td>Income-Contingent Repayment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
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.

• Start “paying” your loan before the end of your grace period.
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.
Create a Spending Plan

Successful Budgeting

Log in to find information unique to your situation.

Knowledge Center
Create a Spending Plan

Budget Builder

Money In
How much money did you earn (or expect to earn) this year? 
__________ per year
Did you already take out deductions, like taxes, health insurance, and retirement? 
☐ Yes ☐ No
Do you have any additional income, such as monthly alimony payments or child support? Please indicate the amount of any additional income: 
__________ per month

My Annual Budget
0% - Available Cash - $0
0% - Savings - $0
0% - Housing - $0
0% - Household - $0
0% - Food - $0
0% - Transportation - $0
0% - Student Loans - $0
0% - Miscellaneous - $0

Helpful Tips:
- If you are not sure how much you will earn, visit salary.com and search for the career you plan to pursue. For this exercise, use the minimum salary listed, just to be on the safe side.
- If you haven’t started paying your loans and don’t know what your payments will be, use our Loan Repayment Calculator to get an idea.
- If you are unsure about the total amount of your student loan debt, visit www.nslds.ed.gov to obtain this information.
Additional Payment Information

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

• You must 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.
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.
Loan Servicers

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 student loan and grant data system that recipients of Title IV loans and grants can access and inquire about their Title IV loan and grant data.
## 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>08/20/2010</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>
</tr>
<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>
<td>$59</td>
</tr>
<tr>
<td>5    DIRECT STAFFORD SUBSIDIZED</td>
<td>$2,750</td>
<td>05/12/2010</td>
<td>$2,750</td>
<td>$0</td>
<td>$2,750</td>
<td>$0</td>
</tr>
<tr>
<td>6    DIRECT STAFFORD UNSUBSIDIZED</td>
<td>$1,000</td>
<td>05/12/2010</td>
<td>$1,000</td>
<td>$0</td>
<td>$1,000</td>
<td>$0</td>
</tr>
<tr>
<td>7    STAFFORD UNSUBSIDIZED</td>
<td>$1,000</td>
<td>09/02/2009</td>
<td>$1,000</td>
<td>$0</td>
<td>$1,000</td>
<td>$103</td>
</tr>
<tr>
<td>8    STAFFORD SUBSIDIZED</td>
<td>$1,000</td>
<td>09/02/2009</td>
<td>$1,000</td>
<td>$0</td>
<td>$1,000</td>
<td>$0</td>
</tr>
<tr>
<td>9    STAFFORD SUBSIDIZED</td>
<td>$4,500</td>
<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>
<td>$409</td>
</tr>
<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>IN GRACE 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

**Current ED Servicer:**
- DEPT OF ED/GREAT LAKES
  - PO BOX 530229
  - ATLANTA
  - GA 303530229
  - 800-236-4300
  - mygreatlakes.org
How To Select A Repayment Plan

• Loans will enter repayment under the Standard Repayment Plan unless students 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 Pay As You Earn, Income-Based, and Income-Contingent repayment plans at [www.studentloans.gov](http://www.studentloans.gov)
How To Select A Repayment Plan

After logging in, locate the income-driven repayment plan request option.
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?
  - 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.
  - You have to make the payments anyway.
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 EFT.
9. Explore loan forgiveness opportunities.
Loan Forgiveness Programs

• Remaining balance may be forgiven at end of term for PAYE, IBR, and ICR.

• Teacher Loan Forgiveness Program
  If a borrower teaches full-time for five complete and consecutive academic years in certain elementary and secondary schools and educational service agencies that serve low-income families, and meets other qualifications, they may be eligible for forgiveness of up to a combined total of $17,500 on their Direct and FFELP Stafford Loans.

• Public Service Loan Forgiveness Program

• Other forgiveness opportunities exist through specific government agencies or private organizations
Public Service Loan Forgiveness Program

- PSLF allows eligible borrowers to cancel the remaining balance of their Direct Loans after serving full-time at a public service organization for at least 10 years while making 120 qualifying monthly payments after October 1, 2007.

- To qualify, you must:
  - Work for a qualifying public service organization
  - Maintain a full-time employment status
  - Have eligible loan types
  - Make 120 qualifying payments
  - Make payments under an eligible repayment plan
Qualifying Loans

Qualifying Payments

Qualifying Employment

FORGIVENESS
PSLF Qualifying Employers

- A Federal, State, local, or Tribal government organization, agency, or entity (includes most public schools, colleges and universities);
- A public child or family service agency;
- A non-profit organization under section 501(c)(3) of the Internal Revenue Code that is exempt from taxation under section 501(a) of the Internal Revenue Code (includes most not-for-profit private schools, colleges, and universities);
- A Tribal college or university;
- AmeriCorps or Peace Corps; or
PSLF Qualifying Employers

- A private non-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](http://www.usa.gov/agencies.shtml)
PSLF Qualifying Employment

• Working in one or more jobs for the greater of:
  – An annual average of at least 30 hours per week (or for a contractual or employment period of at least 8 months, an average of 30 hours per week); or
  – The number of hours the employer considers full-time, unless your employment is with two or more employers

• **NOTE:** For purposes of the full-time requirement with a Section 501(c)(3) non-profit or other private non-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 Qualifying Loans

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

**NOTE:** Although loan forgiveness under this program 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 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 made each month, satisfying in full the installment amount due for that month
• Must be a required payment. Cannot be made when the loan is in a grace period, deferment, forbearance, or default status
• Do not need to be made consecutively
• Must have been made under an eligible repayment plan
PSLF Eligible Repayment Plans

• Pay As You Earn 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 Eligible Repayment Plans

- Pay As You Earn 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 Example

<table>
<thead>
<tr>
<th>Eligible Loan Debt - $31,000 (6.8% interest rate unsubsidized)</th>
<th>Pay As You Earn Repayment Plan</th>
<th>Income Based Repayment Plan (IBR)</th>
<th>Income Contingent Repayment Plan (ICR)</th>
<th>Standard Repayment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting AGI - $25,000 (AGI increasing 4% annually, Poverty Level Change Rate 3%) Family Size = 1</td>
<td>$68.71</td>
<td>$103.06</td>
<td>$229.54</td>
<td>$356.75</td>
</tr>
<tr>
<td>First Monthly Payment</td>
<td>$114.34</td>
<td>$171.52</td>
<td>$242.51</td>
<td>$356.75</td>
</tr>
<tr>
<td>Maximum Monthly Payment</td>
<td>$10,807.54</td>
<td>$16,211.31</td>
<td>$18,423.50</td>
<td>$11,809.83</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$9,889.70</td>
<td>$31,000.00</td>
</tr>
<tr>
<td>Total Principal Paid</td>
<td>$10,807.54</td>
<td>$16,211.31</td>
<td>$28,313.20</td>
<td>$42,809.83</td>
</tr>
<tr>
<td>Total Amount Paid</td>
<td>$41,272.46</td>
<td>$35,868.69</td>
<td>$21,110.30</td>
<td>$0.00</td>
</tr>
<tr>
<td>Remaining Principal Balance and Unpaid Interest</td>
<td>$41,272.46</td>
<td>$35,868.69</td>
<td>$21,110.30</td>
<td>$0.00</td>
</tr>
<tr>
<td>PSLF Total Loan Forgiveness</td>
<td>$41,272.46</td>
<td>$35,868.69</td>
<td>$21,110.30</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
### PSLF Example

<table>
<thead>
<tr>
<th>Eligible Loan Debt - $75,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(6.8% interest rate/unsubsidized)</td>
</tr>
<tr>
<td>Starting AGI - $50,000</td>
</tr>
<tr>
<td>(AGI increasing 4% annually,</td>
</tr>
<tr>
<td>Poverty Level Change Rate 3%)</td>
</tr>
<tr>
<td>Family Size = 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Pay As You Earn Repayment Plan</th>
<th>Income Based Repayment Plan (IBR)</th>
<th>Income Contingent Repayment Plan (ICR)</th>
<th>Standard Repayment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Monthly Payment</td>
<td>$277.04</td>
<td>$415.56</td>
<td>$652.83</td>
<td>$863.10</td>
</tr>
<tr>
<td>Maximum Monthly Payment</td>
<td>$410.87</td>
<td>$616.30</td>
<td>$766.30</td>
<td>$863.10</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$40,822.81</td>
<td>$48,525.50</td>
<td>$36,769.87</td>
<td>$28,572.43</td>
</tr>
<tr>
<td>Total Principal Paid</td>
<td>$0.00</td>
<td>$12,708.71</td>
<td>$51,806.45</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Total Amount Paid</td>
<td>$40,822.81</td>
<td>$61,234.21</td>
<td>$88,576.31</td>
<td>$103,572.43</td>
</tr>
<tr>
<td>Remaining Principal Balance and Unpaid Interest</td>
<td>$85,177.19</td>
<td>$62,404.54</td>
<td>$23,193.55</td>
<td>$0.00</td>
</tr>
<tr>
<td>PSLF Total Loan Forgiveness</td>
<td>$85,177.19</td>
<td>$62,404.54</td>
<td>$23,193.55</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Questions?
Loan Consolidation
Loan Consolidation

• Process of combining multiple federal education loans into one, new Direct Loan.
• Amount of the consolidated loan will be the total of outstanding principle and interest at time of consolidation.
• Interest rate of consolidated loan is the weighted average of the interest rates of the loans being consolidated, rounded up to the nearest 1/8 of 1%.
• Only loans taken out in the borrower’s name can be consolidated.
Loan Consolidation

- All Direct and FFEL program loans are eligible. Some Federal Perkins, Federal Nursing, and Health Education Assistance Loans may also be eligible.
- At least one of the loans must be in a grace period or repayment.
- Loans cannot be in default unless borrower makes repayment arrangements with current servicer or agrees to repay the new consolidated loan under an income-driven plan.
- Repayment on consolidated loan begins 60 days or sooner after consolidated loan is disbursed.
Loan Consolidation

• Pros
  – May help to make monthly repayment more affordable.
  – Rolls several loan payments into one loan payment, making repayment easier to manage.
  – Offers fixed interest rates.
  – Allows FFEL loans to become Direct Loans.

• Cons
  – Borrowers may lose certain benefits like interest subsidies or loan cancellation benefits linked to specific servicers.
  – Extends the life of the loan increasing how much is repaid over the life of the loan.
  – May result in higher interest rates.
  – May not be necessary.
Loan Consolidation

Federal Direct Consolidation Loan Application and Promissory Note

You must complete the Federal Direct Consolidation Loan Application and Promissory Note process in a single session. The session should take you approximately 30 minutes to complete.

You will be asked to choose a repayment plan. You should understand the details of the available repayment plans before you make a selection. General repayment plan information is available on StudentAid.gov.

What's next?

- If you prefer, you may complete a paper version of the Federal Direct Consolidation Loan Application and Promissory Note.
- If you want more information about the Direct Consolidation Loan application process, visit What to Expect.
- If you are ready to apply, click Start Application below.

A Direct Consolidation Loan allows you to consolidate (combine) multiple federal education loans into one loan. Through your completion of the Federal Direct Consolidation Loan Application and Promissory Note, you will confirm the loans that you want to consolidate and agree to repay the new Direct Consolidation Loan. Once the consolidation is complete, you will have a single monthly payment on the new Direct Consolidation Loan instead of multiple monthly payments on the loans you consolidated.

More Direct Consolidation Loan information is available on StudentAid.gov.

Application Steps

1. Review and select loans for consolidation and then choose the federal loan service you want to complete the consolidation and service your new Direct Consolidation Loan.
2. Select your repayment plan. More Information
3. Read the Direct Consolidation Loan terms and conditions.
4. Enter your personal and reference information.
5. Review, electronically sign, and submit the completed Federal Direct Consolidation Loan Application and Promissory Note.