



Loan Repayment Options

Loan Repayment, Exit Counseling
Deferment and Forbearance

Issues Student Borrowers are Facing

- ▶ Borrowers don't know what lenders are servicing their loans.
- ▶ Borrowers cite unaffordable payments as the top reason for falling behind on loan payments.
- ▶ Borrowers are not aware of the options they have
 - Repayment Plans
 - Loan forgiveness

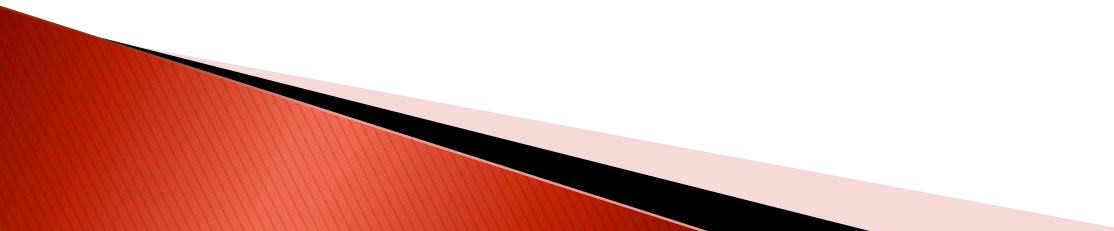
Student Loan Repayment

Direct Loan Exit Counseling –All graduating students will be required to attend an exit counseling session arranged by the Financial Aid Office.

- The Direct Loan Exit Counseling will explain your rights and responsibilities as a Direct Loan borrower
- Student will select a repayment option.
- Go to <http://www.nslds.ed.gov> to complete your exit counseling

NSLDS Exit Counseling

Provides:

- Actual individual loan balances
 - Repayment Information
 - Estimated monthly payments
 - Budget worksheet
 - Quiz to enhance comprehension
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Step 1

The screenshot shows a web browser window displaying the NSLDS for Students website. The browser's address bar shows the URL https://www.nsls.ed.gov/nsls_SA/SaEcLogin.do. The website header includes the logo for "START HERE GO FURTHER FEDERAL STUDENT AID" and the text "National Student Loan Data System (NSLDS) for Students". A navigation menu at the top contains links for "Financial Aid Review", "Exit Counseling", "Glossary of Terms", "Browser Info/Setup", "FAQs", and "Contact Us".

The main content area is titled "Login to Exit Counseling" and features a form with the following questions and input fields:

- What is your social security number?**
Please enter this number without the dashes. For example, 123456789.
- What are the first two (2) letters of your last name?**
- What is your date of birth?**
Please enter this date in "mmddyyyy" format. For example, 08171975 for August 17, 1975.
- What is your PIN?**
Please enter the PIN you received from Department of Education.

A "Submit" button is located below the form. To the right of the form is a "Your Progress" sidebar with a list of menu items: "Getting Started", "Intro", "Basics", "Login to Exit Counseling" (highlighted with a right-pointing arrow), "Schools", "Loan Types", "Terminology", "Quiz", "Repaying Your Loan", "Having Trouble Making Payments", "Discharge/Forgiveness", "Resources", and "Final Steps".

Below the form, there is a disclaimer: "Since your PIN can be used to retrieve personal information about you and to sign documents, including a promissory note, you must not share or disclose the PIN to others. By using your PIN, you agree that it has not been compromised — no one besides you knows it. If you think your PIN has been compromised, you should change it at the Department of Education PIN Registration Web site using the option "Change PIN"."

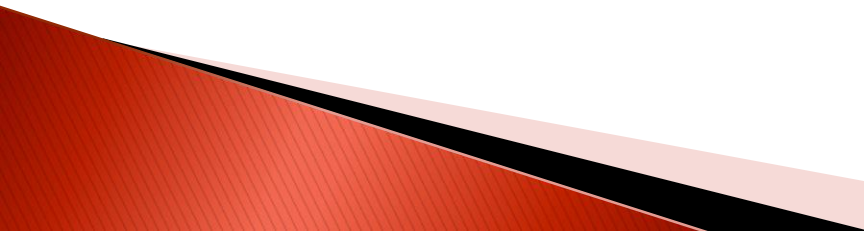
At the bottom of the page, there is a note: "You will be prompted to re-enter the information on this page after 15 minutes of inactivity." and another note: "Information contained on these pages reflects the most current data in the NSLDS database. The data contained on this site is for general information purposes and should not be used to determine eligibility, loan payoffs, overpayment status, or tax reporting. Please consult the Financial Aid Officer at your school or the specific holder of your debts for further information."

The browser's taskbar at the bottom shows the Windows Start button, several open applications (including Microsoft PowerPoint and Internet Explorer), and the system clock displaying 9:38 AM.

Step 2

- ▶ Choosing a Repayment Plan
 - Standard Repayment Plan
 - Extended Repayment
 - Graduated Repayment
 - Income Contingent Repayment (ICR)
 - Income-based Repayment (IBR)

Standard Repayment

- ▶ All borrowers are automatically enrolled in the standard repayment plan.
 - ▶ Pay equal monthly payments of at least \$50 for up to **10 years**.
 - ▶ This is the preferred option if the individual can handle a **higher monthly payment**
 - ▶ This is the **shortest time** repayment of any option
 - ▶ The individual will pay the **lowest interest**
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Extended Repayment

- ▶ To qualify for this option you must have **more than \$30,000** in Direct or FFELP loan debt
- ▶ The individual must not have a Direct Loan before October 1998
- ▶ This plan offers more time to pay but you will **pay more interest**
- ▶ **25 year** repayment
- ▶ **2** payment options
 - **Fixed**– the same payment each month
 - **Graduate**– the payments start low and increase every two years

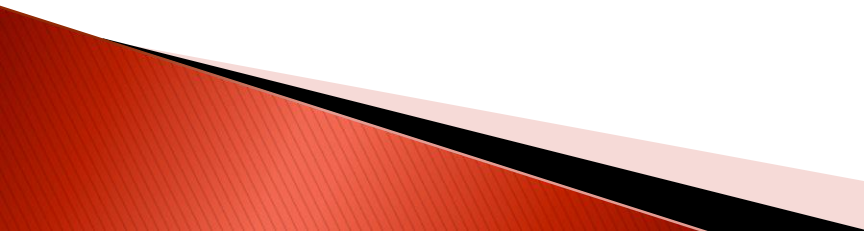
Graduated Repayment

- ▶ This plan starts payments low and then increases the repayment amount
- ▶ This is a **fixed 10 year** option
- ▶ If you expect to make a steady increased income over this time period this plan may be the best option for you

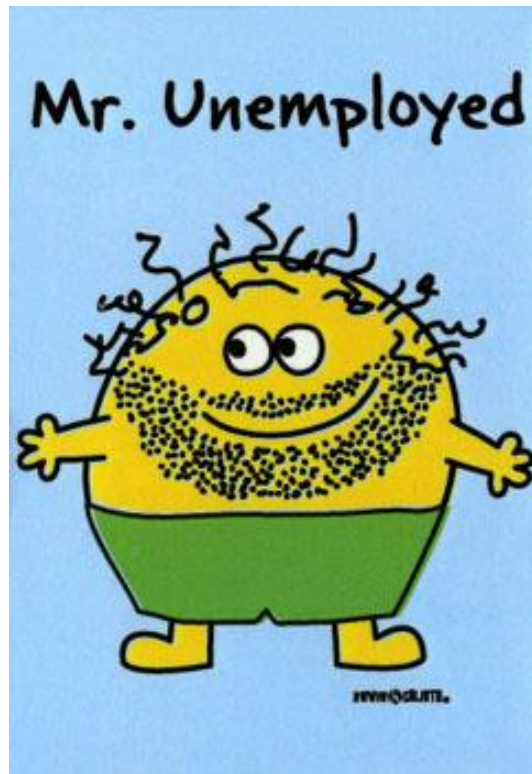
Income Contingent Repayment (Direct loans only)

- ▶ Option for someone with low earnings, relative to debt, who is looking for the lowest monthly payment.
- ▶ Reduced monthly payments for students who demonstrate a partial financial hardship (based on loan, debt, income, and family size).
- ▶ Eligibility is re-evaluated each year.
- ▶ At the end of **25 years** of repayment and **300** payments, any remaining balance may be forgiven.
- ▶ Monthly payment is capped at 15% of the difference between student's monthly AGI minus 150% of the monthly poverty level.

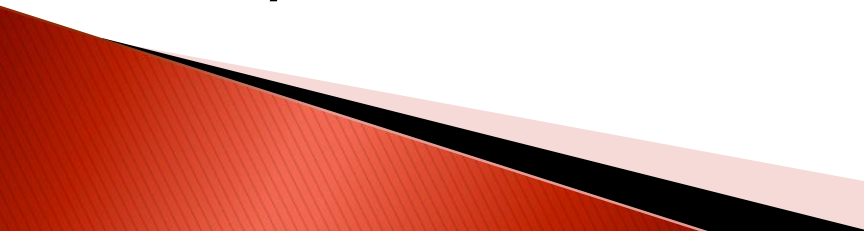
Income-based Repayment (FFELP loans only)

- ▶ The required monthly repayment will be based on your income and total loan amount during any period when you have a partial financial hardship
 - ▶ Eligibility is re-evaluated each year
 - ▶ **10 year** repayment term
 - ▶ If certain qualifications are met over a specific period of time, you may qualify for cancellation of any outstanding balances.
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Deferment and Forbearance



Deferment

- ▶ **Unemployed** or meet rules for economic hardship
 - ▶ Enrolled at least half-time in an eligible postsecondary school or studying full time in a graduate fellowship program
 - ▶ **Active duty** service in the US Armed forces or National Guard
 - ▶ Summit deferment request to **the Direct Loan Servicing Center** along with documentation of your eligibility for the deferment
 - ▶ 3 year limit
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Forbearance

- ▶ You maybe eligible if you **cannot make your scheduled payment** and do not qualify for a deferment
- ▶ This allows you to temporarily stop making payments, make smaller payments, or extend time for repayment
- ▶ Common reasons for this option
 - Illness
 - Financial hardship
 - Local or national emergency


Consolidation and Public Service Loan Forgiveness (PSLF) Program



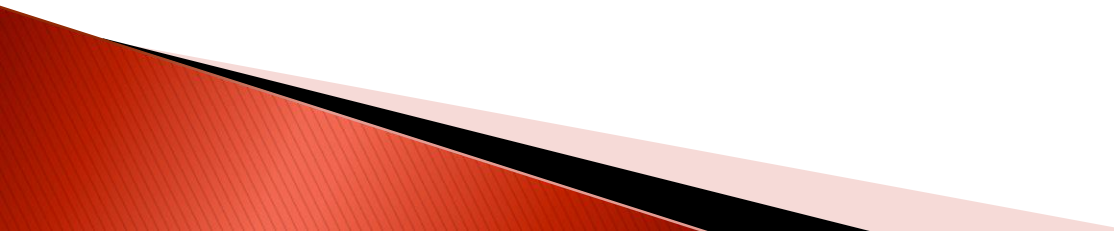
Should I consider consolidating my loans?

Can I get my loans forgiven?

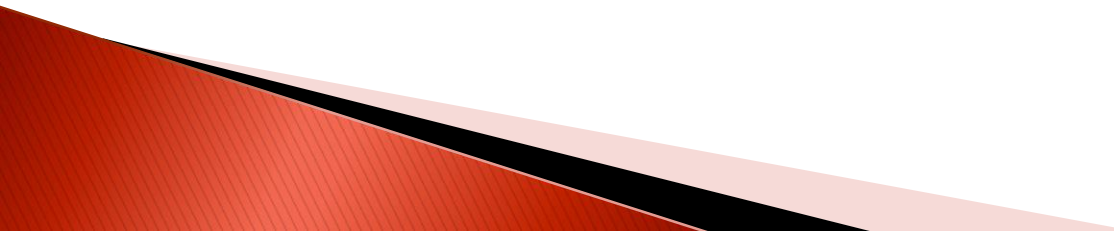
Consolidation

- ▶ If you have trouble meeting your monthly payments, have exhausted your deferment and forbearance options, or want to avoid default, a Direct Consolidation Loan may help you.
 - ▶ With a Direct Consolidation Loan, you will have a single lender – the U.S. Department of Education – and a single monthly payment. (Direct and FFELP only)
 - ▶ If you have variable interest rates on your Federal education loans, you may want to consolidate to have a fixed interest rate.
 - ▶ Interest rate may increase slightly when the weighted average of consolidated loans is rounded to the nearest eighth percent.
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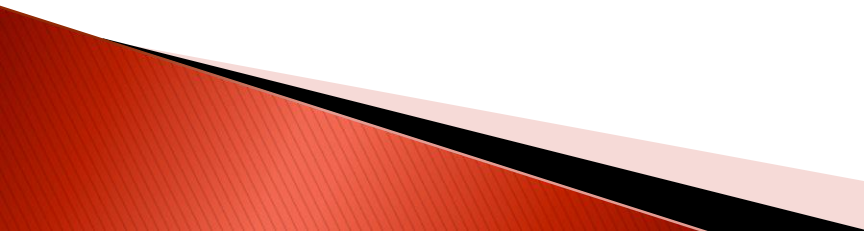
Public Service Loan Forgiveness (PSLF) Programs

- ▶ The Public Service Loan Forgiveness Program was created to encourage individuals to work full-time in public service jobs. You may qualify for forgiveness of the remaining balance due on your eligible federal student loans after you have made 120 payments on loans under certain repayment plans.
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Public Service Jobs

- ▶ A federal, state, local, or tribal government organization, agency, or entity.
 - ▶ A public child or family service agency
 - ▶ A nonprofit organization under section 501(c)(3) taxation under section 501(a) of the IRC
 - ▶ A tribal college or university
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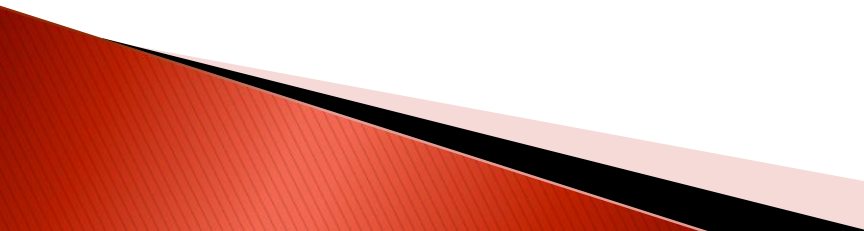
A private organization that provides public services

- ▶ Emergency management, military service, public safety
 - ▶ Law enforcement, public interest law services, public child care
 - ▶ Public service for individuals with disabilities and the elderly
 - ▶ Public health, public education, public library services
 - ▶ School library or other school-based services
 - ▶ Peace Corps and AmeriCorps also qualify
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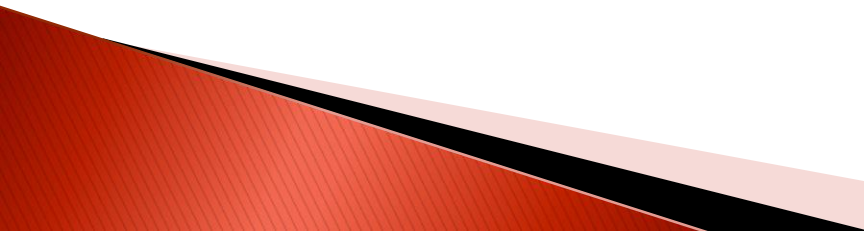
Qualifications for PSLF

- ▶ Cannot be in default
- ▶ Must be employed full-time
30 hours per week or the equivalent

Eligible Loans for PSLF

- ▶ Federal Direct Stafford Loans (Direct Subsidized Loans)
 - ▶ Federal Direct Unsubsidized Stafford Loans (Direct Unsubsidized Loans)
 - ▶ Federal Direct PLUS Loans (Direct PLUS Loans)– for parents and graduate or professional students
 - ▶ Federal Direct Consolidation Loans (Direct Consolidation Loans)
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Eligible Payment Plans for PSLF

- ▶ Income Based Repayment (IBR) Plan
 - ▶ Income Contingent Repayment Plan
 - ▶ Standard Repayment Plan with a 10-year repayment period
 - ▶ Any other Direct Loan Program repayment plan (only 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 may be counted toward the required 120 payments)
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Additional information or Questions

Direct loan borrowers

Phone: 800-848-0979 or 315-738-6634

www.direct.ed.gov/

Direct consolidation loans

Phone: 800-557-7392

<http://loanconsolidation.ed.gov/>

Contact for Students

Federal Student Aid Information Center

800-433-3243

NSLDS Customer Support Center

800-999-8219