Exit Counseling

Please Check In and Pick Up Your Folder
Exit Counseling Folder

- Personalized federal student loan balances
- Letter from our office and bookmark
- Loan Servicer information
- Loan Tips and Resources
- If you borrowed a Federal Perkins Loan:
  - You will have a Perkins repayment document
Online Exit Counseling

Required if you:
- Withdraw
- Graduate
- Drop below half-time
- Transfer schools

Federal Loans Covered:
- Direct Subsidized
- Direct Unsubsidized
- Direct Grad PLUS
Online Exit Counseling, Cont.

- [https://studentloans.gov](https://studentloans.gov)
  - Sign in using FSA ID
  - Click “Complete Loan Counseling”
  - Select “Exit Counseling”
No Exit Counseling

Private Education Loans
- Contact lender for repayment info
- NOT included on your print out

Parent PLUS Loan
- Parent is responsible for this loan
- NOT included on your print out
Federal Parent PLUS Loan

- Parent can locate Loan Servicer:
  - Go to Nslds.ed.gov
  - Click on “Financial Aid Review”
  - Accept terms & conditions
  - Log in with FSA ID
  - Click into each loan to find servicer
Perkins Loan
Perkins Loan

- Exit Counseling: [www.myloancounseling.com](http://www.myloancounseling.com)
- Repayment and Loan Servicer:
  - Payments are made to school or their servicer
- 9 month grace period
Perkins Loan Forgiveness

- If eligible, a percentage is forgiven each year of qualifying employment
- Apply for deferment
  - Complete Request for Deferment Prior to Cancellation
- To receive cancellation benefits:
  - File a Request for Cancellation form at the end of your eligible year
- See handout and visit https://studentaid.ed.gov
Federal Loan Servicer
Federal Loan Servicer

Collects student loan payments and answers questions

How to locate Loan Servicer info:
- Go to www.nslds.ed.gov
- Click on Financial Aid Review
- Click Accept
- Log in with FSA ID
- Click into each loan to find servicer
## Federal Loan Servicers

<table>
<thead>
<tr>
<th>Servicer</th>
<th>Website</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nelnet</td>
<td><a href="http://www.nelnet.com">www.nelnet.com</a></td>
<td>1-888-486-4722</td>
</tr>
<tr>
<td>Great Lakes</td>
<td><a href="http://mygreatlakes.org">http://mygreatlakes.org</a></td>
<td>1-800-236-4300</td>
</tr>
<tr>
<td>Navient</td>
<td><a href="http://www.navient.com">www.navient.com</a></td>
<td>1-800-722-1300</td>
</tr>
<tr>
<td>FedLoan Servicing</td>
<td><a href="https://myfedloan.org">https://myfedloan.org</a></td>
<td>1-800-699-2908</td>
</tr>
<tr>
<td>MOHELA</td>
<td><a href="http://www.mohela.com">www.mohela.com</a></td>
<td>1-888-866-4352</td>
</tr>
<tr>
<td>ESA/EdFinancial</td>
<td><a href="https://edfinancial.com">https://edfinancial.com</a></td>
<td>1-855-337-6884</td>
</tr>
<tr>
<td>CornerStone</td>
<td><a href="https://MyCornerStoneLoan.org">https://MyCornerStoneLoan.org</a></td>
<td>1-800-663-1662</td>
</tr>
<tr>
<td>Granite State</td>
<td><a href="http://https://gsmr.org">https://gsmr.org</a></td>
<td>1-888-556-0022</td>
</tr>
<tr>
<td>OSLA Servicing</td>
<td><a href="https://public.osla.org">https://public.osla.org</a></td>
<td>1-866-264-9762</td>
</tr>
</tbody>
</table>
Federal Loan Repayment
Deferment - Grad School

If you are continuing to graduate school:
- Loans will be deferred if you are enrolled at least half-time
- This is an automatic process - but double-check with your loan servicer!
Federal Loan Repayment

- Begins 6 months after graduating or dropping below half-time
  - NOTE: If you’ve used up your grace period, repayment begins immediately!
- Stay connected with Loan Servicer
  - They will contact you with payment schedules
  - Set up username and password
  - Update name, address, phone number

- No penalty for prepayment
- Auto pay = 0.25% reduced interest rate!
Time-Driven Plans
Standard Repayment Plan

⚠️ Automatically placed in this plan unless you change it!

- Fixed monthly payment of at least $50
- Maximum timeframe: 10 years
- Best option
  - Less interest = save money!
  - Monthly payments will be higher
Standard Plan
Example

<table>
<thead>
<tr>
<th>Amount Borrowed: $25,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months in Repayment</td>
</tr>
<tr>
<td>Monthly Payment</td>
</tr>
<tr>
<td>Total Interest Paid</td>
</tr>
<tr>
<td>Total Loan Paid</td>
</tr>
</tbody>
</table>
Extended Fixed Plan

Available to new Direct Loan borrowers starting Oct. 7, 1998 with more than $30,000 in Direct Loans

- Fixed payments
- Maximum timeframe: 25 years (300 payments)
### Extended Fixed Example

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Borrowed:</td>
<td>$35,000</td>
</tr>
<tr>
<td>Months in Repayment</td>
<td>300</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>$242.93</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$37,877.57</td>
</tr>
<tr>
<td>Total Loan Paid</td>
<td>$72,877.57</td>
</tr>
</tbody>
</table>
Graduated Repayment Plan

- Payments lower at first → increase every 2 years
- Maximum timeframe: 10 years
- Minimum payments must cover accumulated interest
Graduated Plan

Example

Amount Borrowed: $25,000

<table>
<thead>
<tr>
<th>Period (Years)</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>$165.95</td>
</tr>
<tr>
<td>3-4</td>
<td>$218.41</td>
</tr>
<tr>
<td>5-6</td>
<td>$287.45</td>
</tr>
<tr>
<td>7-8</td>
<td>$378.31</td>
</tr>
<tr>
<td>9-10</td>
<td>$497.85</td>
</tr>
</tbody>
</table>

**TOTALS**

- Months in repayment: 120
- Total Interest Paid: $12,149.53
- Total Loan Paid: $78,485.58
Extended Repayment Plan

Available to new Direct Loan borrowers starting Oct. 7, 1998 with more than $30,000 in Direct Loans

- Graduated payments
- Maximum timeframe: 25 years (300 payments)
## Extended Plan Example

**Amount Borrowed:** $35,000

<table>
<thead>
<tr>
<th>Period (Years)</th>
<th>Monthly Payment</th>
</tr>
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<tbody>
<tr>
<td>1-2</td>
<td>$201.39</td>
</tr>
<tr>
<td>3-4</td>
<td>$210.30</td>
</tr>
<tr>
<td>5-6</td>
<td>$219.61</td>
</tr>
<tr>
<td>7-8</td>
<td>$229.33</td>
</tr>
<tr>
<td>9-10</td>
<td>$239.48</td>
</tr>
<tr>
<td>11-12</td>
<td>$250.07</td>
</tr>
<tr>
<td>13-14</td>
<td>$261.14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period (Years)</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-16</td>
<td>$272.70</td>
</tr>
<tr>
<td>17-18</td>
<td>$284.76</td>
</tr>
<tr>
<td>19-20</td>
<td>$297.36</td>
</tr>
<tr>
<td>21-22</td>
<td>$310.52</td>
</tr>
<tr>
<td>23-24</td>
<td>$324.26</td>
</tr>
<tr>
<td>25</td>
<td>$338.61</td>
</tr>
</tbody>
</table>
## Extended Plan Example

<table>
<thead>
<tr>
<th>TOTALS</th>
</tr>
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<tr>
<td>Months in Repayment</td>
</tr>
<tr>
<td>Total Interest Paid</td>
</tr>
<tr>
<td>Total Loan Paid</td>
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</tbody>
</table>
Income-Driven Plans
Income Contingent Plan

⚠️ Must apply online at https://studentloans.gov

- Based on:
  - Annual Adjusted Gross Income (and spouse, if married)
  - Family size
  - Total amount of Direct Loan

- Will factor 20% discretionary income/month
  - OR amt. paid on a 12 year Standard Plan
    - Whichever is less

- Must provide tax info to servicer every year
Income Contingent Loan Forgiveness

If loan is not fully repaid after 25 years:
Remaining balance is forgiven.
Income-Based Plan (IBR)

Must apply online at https://studentloans.gov

- Minimum monthly payment will be the lower of:
  - 15% of discretionary income, OR
  - Standard plan amount

- Must qualify for partial financial hardship
  - Monthly amount under Standard plan is more than monthly amount under IBR plan

- Maximum repayment period may exceed 10 years
Income-Based Loan Forgiveness

If loan is not fully repaid after 20-25 years:
Remaining balance is forgiven.
Pay As You Earn (PAYE)

Must apply online at [https://studentloans.gov](https://studentloans.gov)

- Maximum monthly payment will be the lower of:
  - 10% of discretionary income, OR
  - Standard plan amount
- Must qualify for partial financial hardship *(high debt to income ratio)*
- Must be a new borrower as of 10/01/2007 & have a loan disbursed after 10/01/2011
If loan is not fully repaid after 20 years:
Remaining balance is forgiven.
Revised Pay As You Earn (REPAYE)

Must apply online at https://studentloans.gov

Maximum monthly payment will be 10% of discretionary income
Payments will never be more than 10% of your income based on family size
  - May be more than standard plan amount
If loan is not fully repaid after 20 or 25 years: Remaining balance is forgiven.

- **20 years**
  - Undergrad loans

- **25 years**
  - Grad/Professional loans
Eligible Borrowers

Eligible Loan
Show Need
Recent Borrower
Eligible Loan Type

Direct Loans

FFELP

Perkins

ICR  IBR  PAYE  REPAYE
Eligible Loan Type

**Loan received as student**

**Loan received as parent**

**Consolidation (no parent loans)**

**Consolidation (parent loans)**

ICR  IBR  PAYE  REPAYE
<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment based only on income</th>
<th>Payment based on loan debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICR</td>
<td>20% of discretionary income</td>
<td>12-year standard payment adjusted based on income</td>
</tr>
<tr>
<td>IBR</td>
<td>15% of discretionary income</td>
<td>10-year standard amount</td>
</tr>
<tr>
<td>PAYE</td>
<td>10% of discretionary income</td>
<td>10-year standard amount</td>
</tr>
<tr>
<td>REPAYE</td>
<td>10% of discretionary income</td>
<td>None</td>
</tr>
</tbody>
</table>
Repayment Suggestions

- If you borrowed $15,000 or less and have job right out of college:
  - Standard Plan may be the best option

- If you borrowed more than $15,000 and your income is low:
  - Graduated or income-driven plan may be best option
  - NOTE: You will end up paying more in interest!
It’s okay to pay more than minimum amount due each month!

You can switch repayment plans, if needed!
Call your servicer.
Delinquency & Default
Delinquency & Default

✧ Delinquency:
  ✦ Your monthly payment is not received by the due date

✧ Default:
  ✦ When you become 270 days delinquent in making payments
Consequences of Default

Not getting a bill DOES NOT mean you don’t have to pay!

- Entire unpaid amount becomes due and payable
- Account sent to collection agency
- Reported to credit agencies - negatively impacts credit rating
- May be sued and forced to make payments, including collection fees and costs
Consequences of Default

Not getting a bill DOES NOT mean you don’t have to pay!

- All or part of tax refund may be withheld
- Wages may be garnished
  - Employer required to send payments to Direct Loans as part of your salary
- Lose eligibility for federal student aid and loan deferment
Deferment & Forbearance
Deferral & Forbearance

- Place hold on payments towards loan principal (sometimes interest)

- During deferment:
  - May be responsible for paying interest on Unsubsidized loans (not Subsidized or Perkins)
  - Remember: Perkins loans are with a different servicer - reach out to both when requesting deferment
Deferment & Forbearance

During forbearance:
- Interest accrues on ALL loans
- Unpaid interest capitalizes on loan after forbearance period
- Loan Servicer can answer questions and help you understand how to qualify
Loan Consolidation
Loan Consolidation

⚠️ You should NEVER pay to consolidate. It’s FREE!

- Allows you to consolidate multiple federal loans into one loan
- Visit studentloans.gov:
  - Complete application and choose repayment plan
  - For more information
Loan Consolidation

Possible benefits:

- Interest Rate: Fixed, weighted average (no cap)
- One bill per month (most have this anyway)
- Might have lower monthly payments due to increased time to pay off (up to 30 years)
Loan Consolidation

- **Downside:**
  - Possibly pay more in interest
  - Lose borrower benefits (interest rate discounts, some loan cancellation benefits)
  - Any outstanding interest becomes part of the principle balance
Loan Forgiveness
Teacher Loan Forgiveness

Visit www.studentaid.ed.gov for more information!

Qualifications:
- Teach full-time for 5 consecutive years
- In low income elementary or secondary school OR low-income educational service agency, and
- Meet other qualifications
Teacher Loan Forgiveness

Visit www.studentaid.ed.gov for more information!

- May receive up to $5,000 forgiven if highly qualified full-time teacher
- May receive up to $17,500 if (as certified by Chief Administrative Officer):
  - Highly qualified full-time math or science teacher, OR
  - Highly qualified teacher with a primary responsibility to provide special education
Public Service Loan Forgiveness

Visit [www.studentaid.ed.gov](http://www.studentaid.ed.gov) for more information!

- Forgives remaining balance on eligible direct loans after:
  - 120 on-time payments (doesn’t need to be consecutive)
  - Under a qualifying repayment plan (income-driven)
  - While working full-time for a qualifying employer
Public Service Loan Forgiveness

Visit [www.studentaid.ed.gov](http://www.studentaid.ed.gov) for more information!

- Qualifying employment:
  - Government organization at any level
  - Tax-exempt not-for-profit organizations
  - Other types of not-for-profit organizations, if primary purpose is public service
    - AmeriCorps, Peace Corps, *continued on next slide*
Public Service Loan Forgiveness

Visit www.studentaid.ed.gov for more information!

Qualifying Public Services:
- Emergency management
- Military service
- Public safety
- Law enforcement
- Public interest law services
- Early childhood education
- Public service for individual with disabilities
- Public service for the elderly
- Public health
- Public education
- Public library services
- Other school-based services
Contact Loan Servicer

- Create online account with your Loan Servicer
- Stay in contact with your Loan Servicer!
  - If they don’t know you are struggling, they can’t help!
- Notify them of changes:
  - Address
  - Phone number
  - Employment status (or changes in income)
For Your Information

UNI’s Default Rate: 3.9%
National Average: 10.8%
State Average: 11.6%
Average UNI Indebtedness: $23,174
Don’t Forget

Complete Exit Counseling online:
- Federal Loans: [https://studentloans.gov](https://studentloans.gov)
- Perkins Loans: [www.myloancounseling.com](http://www.myloancounseling.com)

Questions?
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[kaili.benham@uni.edu](mailto:kaili.benham@uni.edu)
319-273-2354