Exit Counseling

Federal Direct Loans
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.

- **studentaid.gov**
  - Sign in using FSA ID
  - Click “Manage Loans”
  - Select “Complete Exit Counseling”
No Exit Counseling

Private Education Loans
- Contact lender for repayment info

Parent PLUS Loan
- Parent is responsible for this loan
Parent PLUS Loan
Federal Parent PLUS Loan

- Parent can locate Loan Servicer:
  - Go to studentaid.gov
  - Click on “Log In”
  - Log in with their Parent FSA ID
  - Accept terms & conditions
  - Servicer should be listed along right hand side of page
Perkins Loan

Managed by the Office of Business Operations

- [obo.uni.edu/perkins-loan](obo.uni.edu/perkins-loan)

Exit Counseling: [www.myloan counseling.com](www.myloan counseling.com)

[www.uasecho.com](www.uasecho.com) University Accounting Services

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.gov/understand-aid/types/loans/perkins](https://studentaid.gov/understand-aid/types/loans/perkins)
  - [https://studentaid.gov/manage-loans/forgiveness-cancellation/perkins](https://studentaid.gov/manage-loans/forgiveness-cancellation/perkins)
Federal Loan Servicer

- Collects student loan payments and answers questions
- How to locate Loan Servicer info:
  - Go to studentaid.gov
  - Log in with FSA ID
# Federal Loan Servicers

<table>
<thead>
<tr>
<th>Servicer</th>
<th>Website/URL</th>
<th>Phone Number</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="http://MyCornerStoneLoan.org">https://MyCornerStoneLoan.org</a></td>
<td>1-800-663-1662</td>
</tr>
<tr>
<td>Granite State</td>
<td><a href="http://qsmr.org">https://qsmr.org</a></td>
<td>888-556-0022</td>
</tr>
<tr>
<td>OSLA Servicing</td>
<td><a href="http://public.osla.org">https://public.osla.org</a></td>
<td>1-866-264-9762</td>
</tr>
</tbody>
</table>
Federal Loan Repayment
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!
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!
**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>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Borrowed:</td>
<td>$25,000</td>
</tr>
<tr>
<td>Months in Repayment</td>
<td>120</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>$287.70</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$9,524.10</td>
</tr>
<tr>
<td>Total Loan Paid</td>
<td>$34,524.10</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>Value</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

<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**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Months in repayment</td>
<td>120</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$12,149.53</td>
</tr>
<tr>
<td>Total Loan Paid</td>
<td>$37,149.53</td>
</tr>
</tbody>
</table>
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>
</thead>
<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>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Months in Repayment</td>
<td>300</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$43,485.58</td>
</tr>
<tr>
<td>Total Loan Paid</td>
<td>$78,485.58</td>
</tr>
</tbody>
</table>
Income-Driven Plans
Income Contingent Plan

Must apply online at studentaid.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-Based Plan (IBR)

- 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

⚠️ Must apply online at studentaid.gov
Pay As You Earn (PAYE)

⚠️ Must apply online at studentaid.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 discretionary income ratio)*
- Must be a new borrower as of 10/01/2007 & have a loan disbursed after 10/01/2011
Revised Pay As You Earn (REPAYE)

- 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

⚠ Must apply online at studentaid.gov
If loan is not fully repaid after 20 or 25 years: Remaining balance is forgiven.

- **Income-Driven Plans**
- **Loan Forgiveness**

- **20 years**
  - Undergrad loans

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

Eligible Loan
Show Need
Recent Borrower

ICR  IBR  PAYE  REPAYE
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)*
# Income-Driven Review

<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!
Repayment Suggestions

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
Deferment & 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 studentaid.gov:
  - Complete application and choose repayment plan
  - For more information

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

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 at secondary level, OR
- Highly qualified teacher with a primary responsibility to provide special education

Visit studentaid.gov for more information!
Public Service Loan Forgiveness

Visit studentaid.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

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

Visit studentaid.gov for more information!
Public Service Loan Forgiveness

Visit studentaid.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: 3.6%
National Average: 9.7%
State Average: 9.5%?
Average UNI Indebtedness: $22,178
Don’t Forget

❖ Complete Exit Counseling online:
  ❖ Federal Loans: studentaid.gov
  ❖ Perkins Loans: www.myloancounseling.com

Questions?
Kaili Benham
kaili.benham@uni.edu
319-273-2354