**FOR YOUR CONSIDERATION**

Consider the following when taking a Private Education Loan:

- Cosigner release
- Fixed or variable interest rate
- Origination fee
- Repayment length
- Interest payment while in school
- Loan forgiveness
- Death and disability benefits

**PRIVATE LOAN PROCESS**

Once the student has applied and been approved for a private education loan, they must meet with a counselor from the Office of Financial Aid & Scholarships. The loan will be certified once counseling is complete.

Students are required to accept all federal subsidized, unsubsidized, and Perkins loans. No private education loan will be certified until all the student’s Direct Stafford and Perkins loan eligibility has been exhausted.

Please note, private education loans take between 8-10 business days to disburse after certification of the loan.

**INCOME AND REPAYMENT**

The purpose of this loan repayment chart is to help students (and/or co-signers) better estimate what their student loan payments may look like when they enter repayment. Remember this is just an estimate as the interest rate, repayment period and other loan factors may vary for each individual. Please contact the loan lender for specific repayment options that are available to the students (and/or co-signer).

The average loan indebtedness (federal and private) at the University of Northern Iowa is $22,372. Estimated monthly payment for this amount is $251 (under the standard repayment length - 10 years). Generally, a student’s loan payment should not be more than 8% of their monthly salary. The average UNI graduate makes $42,000, which means their ideal monthly loan payment would be $280 or less.

Below is an example of student loan repayment:

<table>
<thead>
<tr>
<th>TOTAL AMOUNT BORROWED</th>
<th>REPAYMENT PERIOD</th>
<th>TOTAL PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td>12.8 Years</td>
<td>$7,658</td>
</tr>
<tr>
<td>$10,000</td>
<td>15 Years</td>
<td>$16,381</td>
</tr>
<tr>
<td>$15,000</td>
<td>15 Years</td>
<td>$24,570</td>
</tr>
<tr>
<td>$20,000</td>
<td>15 Years</td>
<td>$32,761</td>
</tr>
</tbody>
</table>

As a borrower of a private education loan, the student will have two monthly payments; one for their federal loans (subsidized and/or unsubsidized) and one for their private education loan. Private education loans and federal loans cannot be consolidated.

Studentloans.gov offers a repayment estimator to help borrowers understand different payment plans and how much interest would be paid over time. [https://studentloans.gov/myDirectLoan/repaymentEstimator.action](https://studentloans.gov/myDirectLoan/repaymentEstimator.action)

**FEDERAL LOAN REPAYMENT PLANS**

<table>
<thead>
<tr>
<th>Time Driven Repayment Plans</th>
<th>Income Driven Repayment Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>Pay As You Earn (PAYE)</td>
</tr>
<tr>
<td>Extended</td>
<td>Income-Based (IBR)</td>
</tr>
<tr>
<td>Graduated</td>
<td>Income Contingent (ICR)</td>
</tr>
<tr>
<td></td>
<td>REPAYE</td>
</tr>
</tbody>
</table>

Visit [https://studentaid.ed.gov/sa/repay-loans/understand/plans](https://studentaid.ed.gov/sa/repay-loans/understand/plans) for more information on these plans.

**LOAN FORGIVENESS**

Considering a career in education or public service?

Log onto [www.studentaid.ed.gov](http://www.studentaid.ed.gov), with your FSA ID, to see if you could qualify for any of the loan forgiveness options.

**DEFAULT AND DELINQUENCY**

Under the Federal Student Loan Program, a loan becomes delinquent the first day after a payment is missed. The delinquency will continue until all payments are made to bring the loan current. If a loan is delinquent for more than 270 days, it goes into default. Loan servicers report all delinquencies of at least 90 days and defaulted loans to the three major credit bureaus.

Some of the consequences of default include:

- The entire unpaid balance of the loan and any interest is immediately due and payable
- No longer eligible for deferment, forbearance, and repayment plans
- No longer eligible for additional federal student aid
- The loan account is assigned to a collection agency
- The loan is reported as delinquent to credit bureaus, damaging the borrower's credit rating
- Federal and state taxes may be withheld through a tax offset. This means that the internal revenue service can take federal and state tax refunds to collect any of the defaulted student loan debt
- Student loan debt will increase because of the late fees, additional interest, court costs, collection fees, attorney’s fees, and any other costs associated with the collection process
- The employer (at the request of the federal government) can withhold money from their pay and send the money to the government through a process called wage garnishment
- The loan holder can take legal action against the borrower so they cannot purchase or sell assets such as real estate
- Federal employees face the possibility of having 15% of their disposable pay offset by their employer towards repayment of their loan through Federal Salary Offset
# Academic Expenses (Term or Year)

<table>
<thead>
<tr>
<th>Tuition &amp; Fees: $</th>
<th>+ Books &amp; Supplies: $</th>
<th>= $</th>
</tr>
</thead>
</table>

## Financial Aid

Cost of Attendance (COA) is: $

I currently have this much financial aid (FA): $

The maximum I can borrow is (COA – FA = ): $

## Academic Expenses + Living Expenses – Financial Aid =

<table>
<thead>
<tr>
<th>Room &amp; Board: $</th>
</tr>
</thead>
</table>

### Living Expenses

<table>
<thead>
<tr>
<th>Rent: $</th>
<th>+ Utilities: $</th>
<th>+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food: $</td>
<td>+ Cell Phone: $</td>
<td>+</td>
</tr>
<tr>
<td>Gas: $</td>
<td>+ Other: $</td>
<td>+</td>
</tr>
</tbody>
</table>

### Recommended Amount to Borrow

My Current U-Bill is: $

I have already borrowed: $ Federal Loans $ Private Loans

If I graduated now, my monthly payment on my loan would total: $ /mo.

*Use repayment estimator link on front page.

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### My Federal Loan Servicer Is:

- **Nelnet**
  - [www.nelnet.com](http://www.nelnet.com)
  - (888) 486-4722

- **Great Lakes**
  - [www.mygreatlakes.org](http://www.mygreatlakes.org)
  - (800) 236-4300

- **Fedloan Servicing**
  - [www.myfedloan.org](http://www.myfedloan.org)
  - (800) 699-2908

- **Navient**
  - [www.navient.com](http://www.navient.com)
  - (800) 722-1300

- **Cornerstone**
  - [www.mycornerstoneloan.org](http://www.mycornerstoneloan.org)
  - (800) 663-1662

- **EdFinancial**
  - [http://edfinancial.com](http://edfinancial.com)
  - (800) 337-6884

- **Mohela**
  - [www.mohela.com](http://www.mohela.com)
  - (888) 866-4352

- **Northern Loan Counseling**
  - [www.nlcounseling.com](http://www.nlcounseling.com)
  - (888) 328-5577

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**Notes:**

Remember to complete the University Scholarship Application Every Year!

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**The Average Student at Uni Borrow**s $22,372 between private and federal loans.

Assuming the student enrolls in the standard repayment plan, they will make a payment totaling approx. $251/month.