

Exit Counseling

Federal Direct Loans



When to Complete Exit Counseling

Required when you:

- Withdraw
- Graduate
- Drop below half-time
- Transfer schools

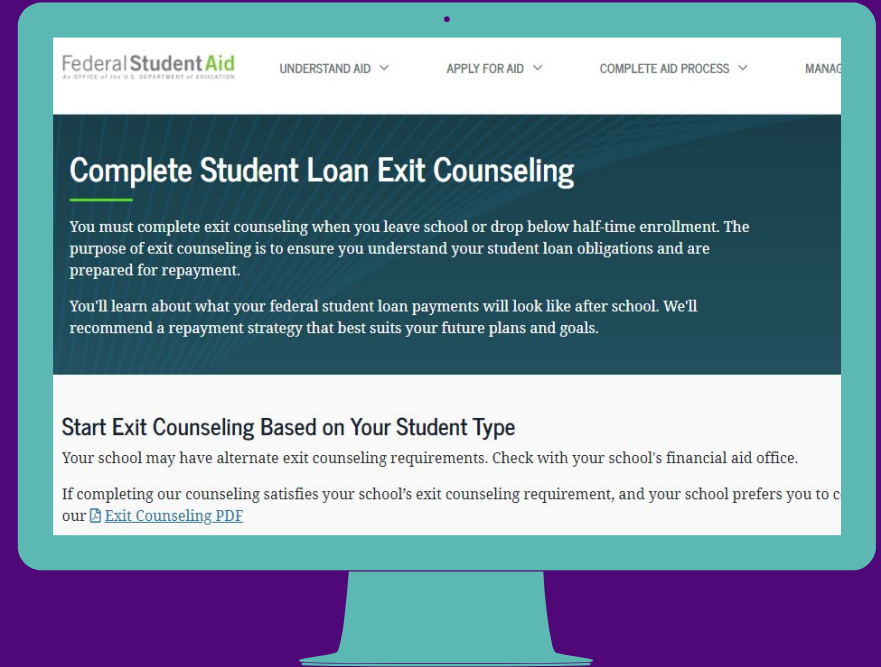
Federal Loans Covered:

- Direct Subsidized
- Direct Unsubsidized
- Direct Grad PLUS

How to Complete Exit Counseling

studentaid.gov

- Sign in using FSA ID
- Click “Manage Loans”
- Select “Complete Exit Counseling”



Exit Counseling Not Required

Parent PLUS Loans

Parent can locate Loan Servicer by logging in to studentaid.gov with parent FSA ID.

Private Education Loans

Contact lender for repayment information.

Federal Perkins Loan

Federal Perkins Loan

- **Managed by the Office of Business Operations**
 - obo.uni.edu/perkins-loan
- **Payments are made to the school or their servicer**
- **For Perkins Loans received at UNI:**
 - **Loan Servicer:** University Accounting Services
 - **Exit Counseling:** uasconnect.com



9 Month Grace Period
for Perkins Loans

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:**
 - studentaid.gov/understand-aid/types/loans/perkins
 - studentaid.gov/manage-loans/forgiveness-cancellation/perkins

Federal Loan Servicer

Federal Loan Servicers

Collects student loan payments and answers questions

Locate Loan Servicer information:

- Go to studentaid.gov
- Log in with FSA ID

Nelnet	nelnet.com/welcome	1-888-486-4722
Great Lakes	mygreatlakes.org	1-800-236-4300
Navient	navient.com	1-800-722-1300
FedLoan Servicing	myfedloan.org	1-800-699-2908
MOHELA	mohela.com	1-888-866-4352
EdFinancial	edfinancial.com	1-800-337-6884
Cornerstone	mycornerstoneloan.org	1-800-663-1662
Granite State	gsmr.org	888-556-0022
OSLA	public.osla.org	1-866-264-9762



University of Northern Iowa.
Office of Financial Aid & Scholarships

Federal Loan Repayment

Federal Loan Repayment

- **6 month grace period after graduating or dropping below half-time**
 - If you've already used your grace period, repayment begins immediately!
- **Create online account with Loan Servicer**
 - They will contact you with payment schedules
 - Keep your info up-to-date (name, address, email, phone, etc.)



Sign up for auto pay for a 0.25% reduction on your interest rate!

UNI

University of Northern Iowa.
Office of Financial Aid & Scholarships

Graduate School Deferment

Continuing on to
graduate school?

- Loans will be deferred if you are enrolled at least half-time
- Automatic process, but double-check with loan servicer!

Time-Driven Repayment Plans

Standard Repayment Plan

Automatically placed in this
plan unless you change it!

- Fixed monthly payment of at least \$50
- Max timeframe: **10 years**
- Best option
 - Less interest = save money!
 - Monthly payments will be higher

Standard Plan Example

Amount Borrowed:	\$25,000
Months in Repayment	120
Monthly Payment	\$287.70
Total Interest Paid	\$9,524.10
Total Loan Paid	\$34,524.10

Extended Fixed Plan

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



University of Northern Iowa.
Office of Financial Aid & Scholarships

- Fixed monthly payments
- Max timeframe: **25 years**
(300 payments)

Extended Fixed Example

Amount Borrowed:	\$35,000
Months in Repayment	300
Monthly Payment	\$242.93
Total Interest Paid	\$37,877.57
Total Loan Paid	\$72,877.57

Graduated Repayment Plan

Payments start lower and
increase every 2 years

- Max timeframe: **10 years**
 - Minimum payments must cover accumulated interest
-

Graduated Plan Example

Amount Borrowed: \$25,000

Year 1-2 Monthly Payment \$165.95

Year 3-4 Monthly Payment \$218.41

Year 5-6 Monthly Payment \$287.45

Year 7-8 Monthly Payment \$378.31

Year 9-10 Monthly Payment \$497.85

Months in Repayment 120

Total Interest Paid \$12,149.53

Total Loan Paid \$37,149.53

Extended Graduated Plan

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



University of Northern Iowa.
Office of Financial Aid & Scholarships

- Payments start lower and increase every 2 years
- Max timeframe: **25 years** (300 payments)

Extended Graduated Example

Amount Borrowed: \$35,000

Year	Monthly Payment	Year	Monthly Payment
1-2	\$201.39	15-16	\$272.70
3-4	\$210.30	17-18	\$284.76
5-6	\$219.61	19-20	\$297.36
7-8	\$229.33	21-22	\$310.52
9-10	\$239.48	23-24	\$324.26
11-12	\$250.07	25	\$338.61
13-14	\$261.14		

Months in Repayment:

300

Total Interest Paid:

\$43,485.58

Total Loan Paid:

\$78,485.58

Income-Driven Repayment Plans

Income- Contingent Plan

Must apply online at
studentaid.gov and must
update tax information and
family size each year

Monthly payment lesser of:

- 20% of discretionary income, or
- Amount paid for 12 year fixed monthly payment plan

Income-Based (IBR) Plan

Must apply online at studentaid.gov and must update tax information and family size each year

Monthly payment lesser of:

- 15% of discretionary income, or
- Standard Plan amount

Must qualify for partial financial hardship

- High debt to income ratio

Maximum repayment period may exceed 10 years

Pay As You Earn (PAYE)

Must apply online at
studentaid.gov and must
update tax information and
family size each year

Monthly payment lesser of:

- 10% of discretionary income, or
- Standard Plan amount

Must qualify for partial financial
hardship

- High debt to income ratio

Must be new borrower as of
10/01/2007 and have a loan
disbursed after 10/01/2011

Revised Pay As You Earn (REPAYE)

Must apply online at
studentaid.gov and must
update tax information and
family size each year

Monthly payment:

- 10% of discretionary income

Must qualify for partial financial hardship

- High debt to income ratio

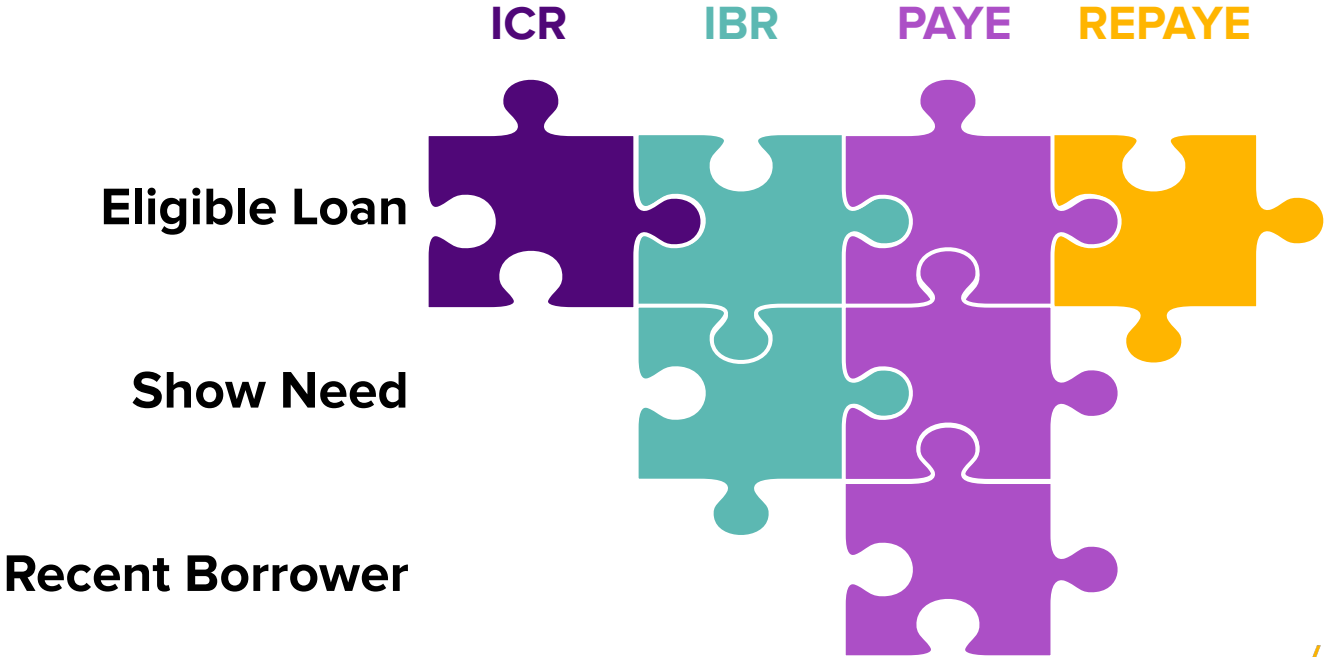
**Must be new borrower as of
10/01/2007 and have a loan
disbursed after 10/01/2011**

Loan Forgiveness for Income-Driven Plans

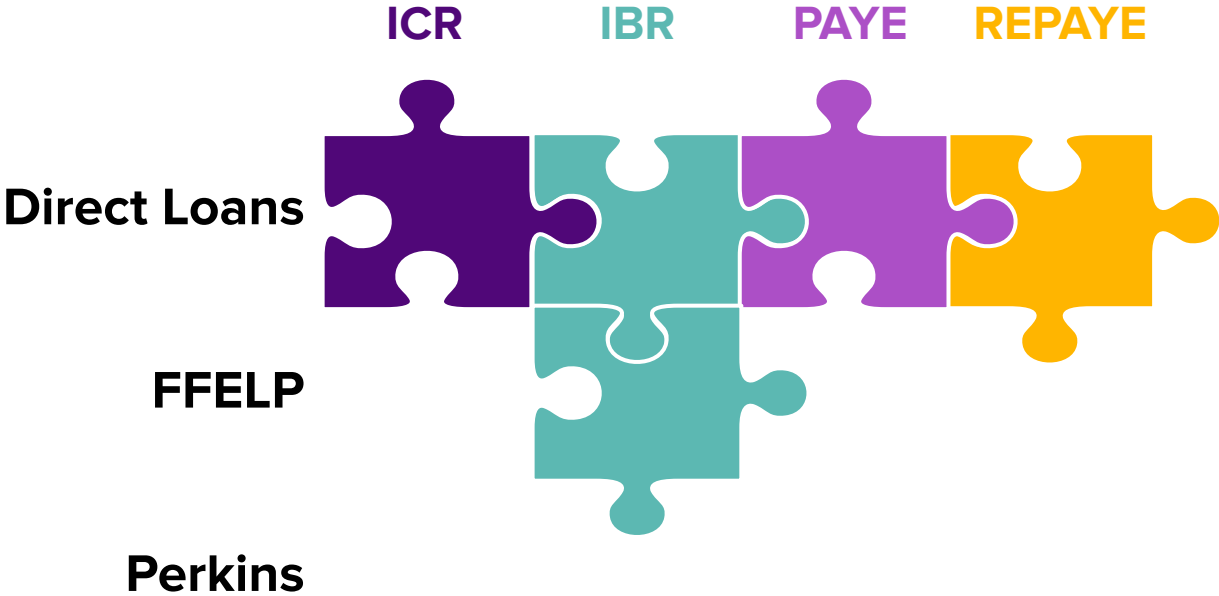
Outstanding balance will be forgiven if you haven't repaid your loans in full after:

- **20 years** if all loans were taken for undergraduate program
- **25 years** if any loans were taken out for graduate or professional study

Eligible Borrowers



Eligible Loan Type



Eligible Loan Type

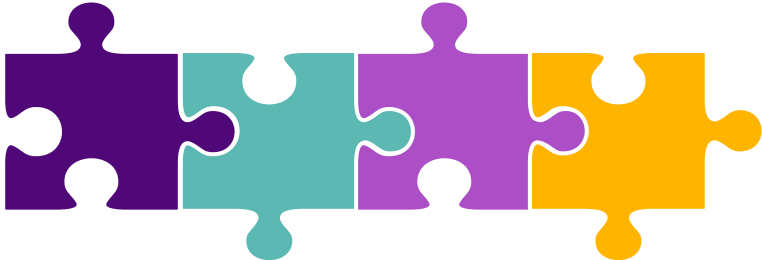
ICR

IBR

PAYE

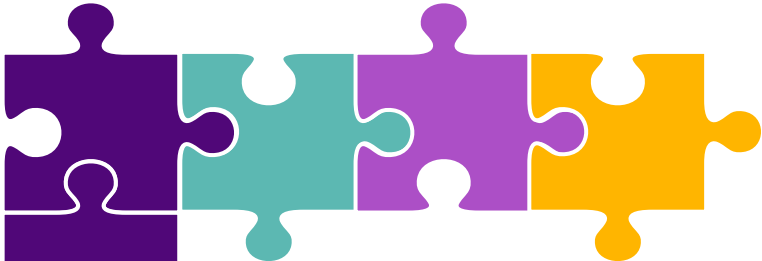
REPAYE

Student loan



Parent loan

Consolidation
(no parent loans)



Consolidation
(parent loans)



Income-Driven Review

Plan	Payment Based on Income	Payment Based on Debt
ICR	20% of discretionary income	12-year standard amount adjusted based on income
IBR	15% of discretionary income	10-year standard amount
PAYE	10% of discretionary income	10-year standard amount
REPAYE	10% of discretionary income	None

Repayment Suggestions

- **If you borrowed \$15,000 or less and have a 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 the best option
 - **NOTE:** You will end up paying more in interest!
- **You can switch repayment plans!**



It's ok to pay more than the minimum amount due!



University of Northern Iowa.
Office of Financial Aid & Scholarships

Delinquency & Default

Delinquency Vs. Default

Delinquency:

Your monthly payment is not received by the due date

Default:

When you become 270 days delinquent in making payments



Not getting a bill does NOT mean you don't have to pay!

Consequences of Default

- **Entire unpaid amount becomes due and payable**
- **Account sent to collection agency**
- **Reported to credit bureaus** - negatively impacts credit
- **May be sued and forced to make payments, including collection fees and costs**
- **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

- **Temporary postponement of payment on a loan**
- **Interest generally does NOT accrue on Direct Subsidized Loans.** All other federal student loans that are deferred will continue to accrue interest.
- **Perkins Loans are with a different servicer - reach out to both when requesting deferment**



Contact Loan Servicer(s) for questions and assistance!

Forbearance

- **Monthly loan payments are temporarily suspended or reduced**
- **Interest continues to accrue on ALL loans**
- **Unpaid interest will be added (capitalized) to the principal balance of your loan(s)**



Contact Loan Servicer(s) for questions and assistance!

Loan Consolidation

Federal Loan Consolidation

- **Allows you to consolidate multiple federal loans into one loan**
- **For more information, visit studentaid.gov**
 - Complete application and select repayment plan



You should NEVER
pay to consolidate!
It's FREE!

Potential Benefits of Loan Consolidation

- **Interest Rate:** Fixed, weighted average (no cap)
- **One bill per month** (most have this anyway)
- **May have lower monthly payment due to increased time to repay** (up to 30 years)

Disadvantages of Loan Consolidation

- **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

Up to \$5,000 forgiven if:

- Teach full-time for 5 consecutive years as highly qualified teacher
- In low-income elementary or secondary school **OR** low-income educational service agency

Up to \$17,500 forgiven if meet above criteria **AND**:

- Full-time math or science teacher at secondary level, OR
- Teacher with a primary responsibility to provide special education
- Must be certified by Chief Administrative Officer



Visit studentaid.gov for more information!



University of Northern Iowa.
Office of Financial Aid & Scholarships

Public Service Loan Forgiveness (PSLF)

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 or standard plan*)
- While working full-time for a qualifying employer

PSLF Qualifying Employment

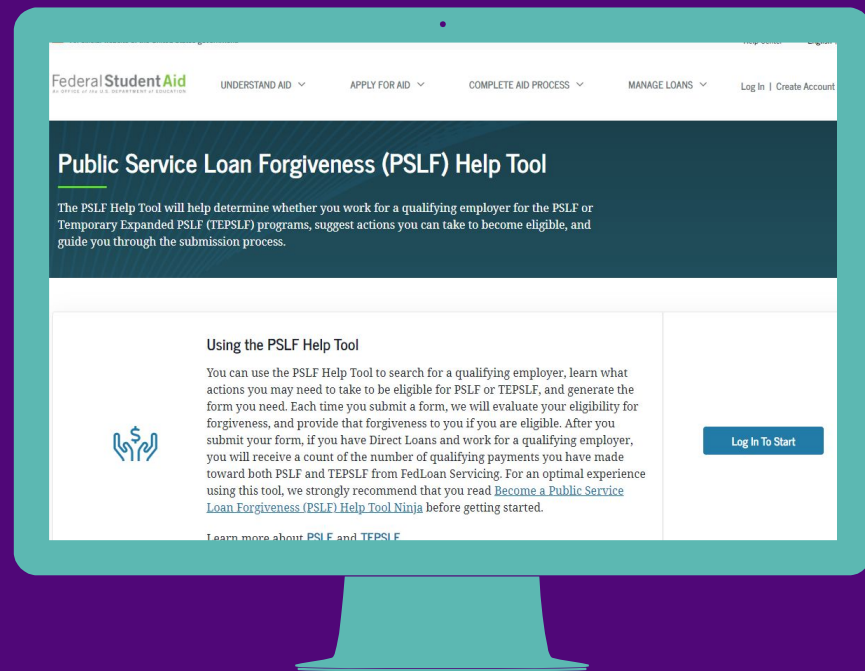
Qualifying employers:

- Government organization at any level
- Not-for-profit organizations that are tax-exempt
- Other types of not-for-profit organizations, if primary purpose is public service (this is rare)
- Serving as a full-time AmeriCorps or Peace Corps volunteer also counts as qualifying employment

Public Service Loan Forgiveness Help Tool

studentaid.gov/pslf

- Learn more about PSLF
- Search for a qualifying employer

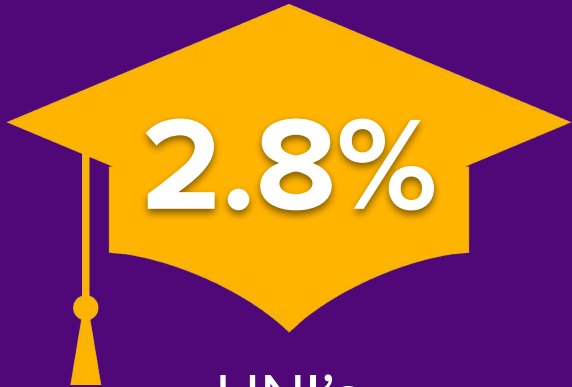


Final Notes

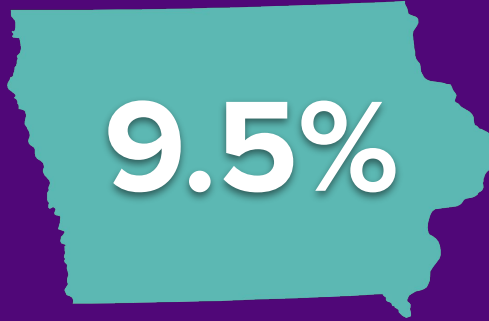
Loan Servicer

- **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
 - Email
 - Employment status or changes in income

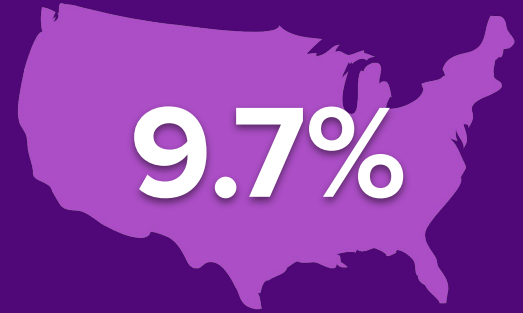
Default Rates and Indebtedness



UNI's
Default Rate



State
Default Rate



National
Default Rate

Average UNI Indebtedness: \$22,769

UNI

University of Northern Iowa.
Office of Financial Aid & Scholarships

Don't Forget to Complete Exit Counseling Online!

Federal Loans: studentaid.gov

Perkins Loans: uasconnect.com

Questions?

Kaili Benham

kaili.benham@uni.edu

319-273-2354
