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

<table>
<thead>
<tr>
<th>Loan Servicer</th>
<th>Website</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nelnet</td>
<td>nelnet.com/welcome</td>
<td>1-888-486-4722</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>mygreatlakes.org</td>
<td>1-800-236-4300</td>
</tr>
<tr>
<td>Navient</td>
<td>navient.com</td>
<td>1-800-722-1300</td>
</tr>
<tr>
<td>FedLoan Servicing</td>
<td>myfedloan.org</td>
<td>1-800-699-2908</td>
</tr>
<tr>
<td>MOHELA</td>
<td>mohela.com</td>
<td>1-888-866-4352</td>
</tr>
<tr>
<td>EdFinancial</td>
<td>edfinancial.com</td>
<td>1-800-337-6884</td>
</tr>
<tr>
<td>Cornerstone</td>
<td>mycornerstoneloan.org</td>
<td>1-800-663-1662</td>
</tr>
<tr>
<td>Granite State</td>
<td>gsmr.org</td>
<td>888-556-0022</td>
</tr>
<tr>
<td>OSLA</td>
<td>public.osla.org</td>
<td>1-866-264-9762</td>
</tr>
</tbody>
</table>
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!
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

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</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 monthly payments
- Max 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>
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</tbody>
</table>
Graduated Repayment Plan

Payments start lower and increase every 2 years

- Max timeframe: 10 years
- Minimum payments must cover accumulated interest
## Graduated Plan Example

<table>
<thead>
<tr>
<th></th>
<th>Amount Borrowed:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$25,000</td>
</tr>
<tr>
<td>Year 1-2</td>
<td>Monthly Payment</td>
</tr>
<tr>
<td></td>
<td>$165.95</td>
</tr>
<tr>
<td>Year 3-4</td>
<td>Monthly Payment</td>
</tr>
<tr>
<td></td>
<td>$218.41</td>
</tr>
<tr>
<td>Year 5-6</td>
<td>Monthly Payment</td>
</tr>
<tr>
<td></td>
<td>$287.45</td>
</tr>
<tr>
<td>Year 7-8</td>
<td>Monthly Payment</td>
</tr>
<tr>
<td></td>
<td>$378.31</td>
</tr>
<tr>
<td>Year 9-10</td>
<td>Monthly Payment</td>
</tr>
<tr>
<td></td>
<td>$497.85</td>
</tr>
<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 Graduated Plan

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

● Payments start lower and increase every 2 years
● Max timeframe: 25 years (300 payments)
### Extended Graduated Example

**Amount Borrowed:** $35,000

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

**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](http://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
- 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
- Show Need
- Recent Borrower

ICR  IBR  PAYE  REPAYE
Eligible Loan Type

- Direct Loans
  - ICR
  - IBR
  - PAYE
  - REPAYE
- FFELP
- Perkins
Eligible Loan Type

- Student loan: ICR, IBR, PAYE, REPAYE
- Parent loan: ICR, IBR, PAYE, REPAYE
- Consolidation (no parent loans): ICR, IBR, PAYE, REPAYE
- Consolidation (parent loans): ICR, IBR, PAYE, REPAYE
## Income-Driven Review

<table>
<thead>
<tr>
<th>Plan</th>
<th>Payment Based on Income</th>
<th>Payment Based on Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICR</td>
<td>20% of discretionary income</td>
<td>12-year standard amount 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 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!
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!
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: 2.8%
- State Default Rate: 9.5%
- National Default Rate: 9.7%

Average UNI Indebtedness: $22,769
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