

Congratulations Class of 2017!

**From:
The Financial Aid Office Team**

Submit before you leave presentation

1. Statement of Attendance
2. Repayment Schedule (only for those with Jefferson loans)
 - Survey - we will email you a Survey Monkey link prior to March 15
 - Remember to complete **federally required** online EXIT counseling at <http://studentloans.gov>

Exit Interview Goals

- **BASICS**

- Rights/responsibilities
- servicer requirements
- Verifying the accuracy of your debt

- **STRATEGIES**

- Repayment Hierarchy & overall strategies
- What to do/when to do it
- Forbearance or Income Driven Repayment or something else??
- Consolidation
- Tax Benefits
- Don't Default!!

Loans to cover

1) Institutional loans

- TJU loan
- Alumni loan
- Perkins loan
- PCL
- Donor named

2) Federal Direct and FFELP Stafford

3) Federal Direct and FFELP Grad PLUS

4) Private alternative loans

TJU Debt Record

- Includes all aid you received each academic year
- Loans reflect Principal amount only - payments & interest are not reflected
- Bottom of sheet tallies your total loan principal debt by Banner code -

Loans Parameters - TJU Administered Loans

Loans Administered By TJU	University Loans	Federal Perkins	Federal Loans for Disadv. Students	Federal Primary Care Loan
Lender	TJU	TJU	TJU	TJU
Servicer	ACS/Xerox	ACS/Xerox	ACS/Xerox	ACS/Xerox
grace period	12 Months	9 Months	12 months	12 months
interest rate in school	0%	0%	0%	0%
interest rate in grace period	0%	0%	0%	0%
interest rate in repayment	5%	5%	5%	5%
eligible for post graduation postponement?	NO *	Yes - forbearance only	Yes - 3 years residency deferment	Yes - 3 years residency deferment
Interest rate during postponement	5%	5%	0%	0%
repayment period	10 Years	10 Years	10 Years	10 Years
Can be consolidatated with Stafford and Grad PLUS?	NO	YES	YES	NO - has service commitment
Eligible for Income Driven Repayment?	NO	NO - unless consolidated	NO - unless consolidated	NO
Eligible for Public Service Loan Forgiveness (PSLF)?	NO	NO - unless consolidated	NO - unless consolidated	NO
Cancellation upon Death or Permanent Disability	YES	YES	YES	YES

*** exceptions: Wayland, Kellogg, Snyder, Bacharach, and Robt Wood Johnson have reduced interest rates**

****exceptions: Wayland, Robt. Wood Johnson, Sledd Cunnison loan have post graduate training deferment options beyond Grace period**

Jefferson is the lender for....

- Institutional loans (e.g., TJU Loans, Alumni Loans, Morgan Loan etc.)
- Certain Federal Loans
 - Federal Perkins
 - Federal Loans for Disadvantaged Students
 - Federal Primary Care Loans

TJU Loan Repayment Schedule

- The Repayment Schedule Lists:
 1. payment start date
 2. monthly payment amount
 3. repayment period
 4. interest rate
 5. amount of interest that will accrue over life of loan
 6. total loan cost (interest and principal)

Institutional & Institutionally administered Loans

Serviced by Xerox/ACS, Inc.

(800) 826-4470

<http://acs-education.com>

- Federal Perkins Loan
- Alumni Loan, Simpson Loan, Levi Loan, TJU Loan etc.
- Federal PCL and LDS


- All institutional loans get repaid to the University via Xerox (ACS)
- **Payments can be made online using your bank account info**

Home

Welcome to our Borrower Services website

[Manage Your Student Loan Account](#)

[Register](#) for a User Name and Password. The process is fast and easy and gives you 24/7 access to:

-  Mobile web.
- View payment information.
- Make an online payment free of charge with ExpressPaySM
- Sign up online for recurring payments with our FREE service, Checkmate IITM
- Sign up for e-billing, an e-mail payment reminder
- Sign up for electronic 1098-E delivery for your FFEL and Private loans
- Apply for an unemployment deferment, economic hardship deferment or forbearance for your FFEL student loan account with the Deferral Assistant. An *e-Signature* option is available for selected forms.
- Change your address and phone number online. No need to call.
- Receive an email notification when your student loan payment is processed.

[Register Now!](#)



- | [Login](#)
- | [School Login](#)
- | [Info Center](#)
- | [Guest Services](#)
- | [My Accounts](#)
- | [Make A Payment](#)
- | [Servicemembers](#)
- | [Contact Us](#)

Federal Direct Loans/Private “ALP” Loans

Federal/Private Loans	Federal Direct Stafford Loan	Federal Direct Graduate PLUS Loan	Private Alternative Loans
Lender - 7/1/10 to present	Fed. Government/Dept. of Education	Fed. Government/Dept. of Education	Private Bank
Lender - prior to 6/30/10	Private lender for Government	Private lender for Government	Private Bank
Servicer	Differs by Student	Differs by Student	Differs depending on Bank
grace period	6 months	0 *	6-9 months - check Promissory Note
eligible for post graduation postponement?	Forbearance - residency	Forbearance - residency	usually 3 years - check with lender
repayment period	10 yrs min/25 yrs max	10 yrs min/25 yrs max	usually max of 15 years
Can be consolidated with Stafford and Grad PLUS?	Yes	Yes	NO
Eligible for Income Driven Repayment?	Yes	Yes	NO
Eligible for Public Service Loan Forgiveness (PSLF)?	Yes	Yes	NO
Cancellation upon Death or Permanent Disability	Yes	Yes	NO

Interest Rates --Federal Direct Loans/Private “ALP” Loans

Federal/Private Loans	Federal Direct Stafford Loan	Federal Direct Graduate PLUS Loan	Private Alternative Loans
interest rate in school	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
interest rate in grace period	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
interest rate in repayment	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
Interest rate during postponement	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
Interest rates:			
Loans borrowed between 7/1/2006 & 6/30/2010	6.8% for Graduate Students and all unsub Stafford; Sub Stafford for undergraduate students ranged during this time from 6.0%, 5.6%, 4.5% and 3.4%, with a return to 6.8% in 2012-13.	8.50%	variable
Loans borrowed between 7/1/2010 & 6/30/2013		7.90%	variable/fixed rate
Loans borrowed between 7/1/2013 & 6/30/2014	5.41%	6.41%	variable/fixed rate
Loans borrowed between 7/1/2014 & 6/30/2015	6.21%	7.21%	variable/fixed rate
Loans borrowed between 7/1/2015 & 6/30/2016	5.84%	6.84%	variable/fixed rate

Know who holds your loans!

IMPORTANT

- Servicer-Collecting and managing your payments and working with you on repayment plans, deferment, and forbearance

Know What Servicers Have Your Loans - Find Your Federal Student Loans

<http://studentloans.gov> – log in with your FSA id

The screenshot shows the StudentLoans.gov website. At the top, it features the 'Federal Student Aid' logo with the text 'An OFFICE of the U.S. DEPARTMENT of EDUCATION' and 'PROUD SPONSOR of the AMERICAN MIND™'. To the right is the 'StudentLoans.gov' logo with 'English | Español' below it. A navigation bar contains links for 'My Account', 'Getting Loans', 'Tools and Resources', 'Managing Repayment', 'FAQs', and 'Contact Us'. The main content area is divided into several sections. On the left, there is a large image of graduates in caps and gowns. To the right of this image is a text box with the following text: 'As of May 10, 2015 you must have a verified FSA ID (Username & Password) instead of a PIN to log in to StudentLoans.gov. Create an FSA ID. If you have a verified FSA ID, log in to StudentLoans.gov. For assistance, call: 1-800-557-7394. Log In'. Below the image and text box are four icons representing different user types: 'Undergraduate Students', 'Graduate/Professional Students', 'Parent Borrowers', and 'Repayment and Consolidation'. Below these icons are three columns of content. The first column, 'Student Loan Process', includes a link to 'Complete the Free Application for Federal Student Aid (FAFSA®) at www.FAFSA.gov' and a note that this is the first step in getting student aid. The second column, 'What Can I Do When I Log In?', lists five tasks: 'Complete Entrance Counseling', 'Complete Direct Subsidized/Unsubsidized Loan Master Promissory Note (MPN)', 'Complete Financial Awareness Counseling', 'Complete Exit Counseling', and 'Use the Repayment Estimator'. The third column, 'Watch to Learn More!', features a video thumbnail titled 'MYTH #5' with the word 'FALSE' in a red box, and a list of video topics: 'Myths About Financial Aid', 'Overview Of The Financial Aid Process', 'Budgeting', and 'Responsible Borrowing'.

Finding Your Student Loans

Federal Student Loans

National Student Loan Data System
www.nslds.ed.gov

Private Student Loan

www.annualcreditreport.com



START HERE GO FURTHER
FEDERAL STUDENT AID

[Español \(Spanish Skip Navigation\)](#)

National Student Loan Data System (NSLDS) for Students

[Financial Aid Review](#) [Exit Counseling](#) [Glossary of Terms](#) [Browser Info/Setup](#) [FAQs](#) [Contact Us](#)

NSLDS STUDENT ACCESS
National Student Loan Data System

Retrieve Your Loan Information

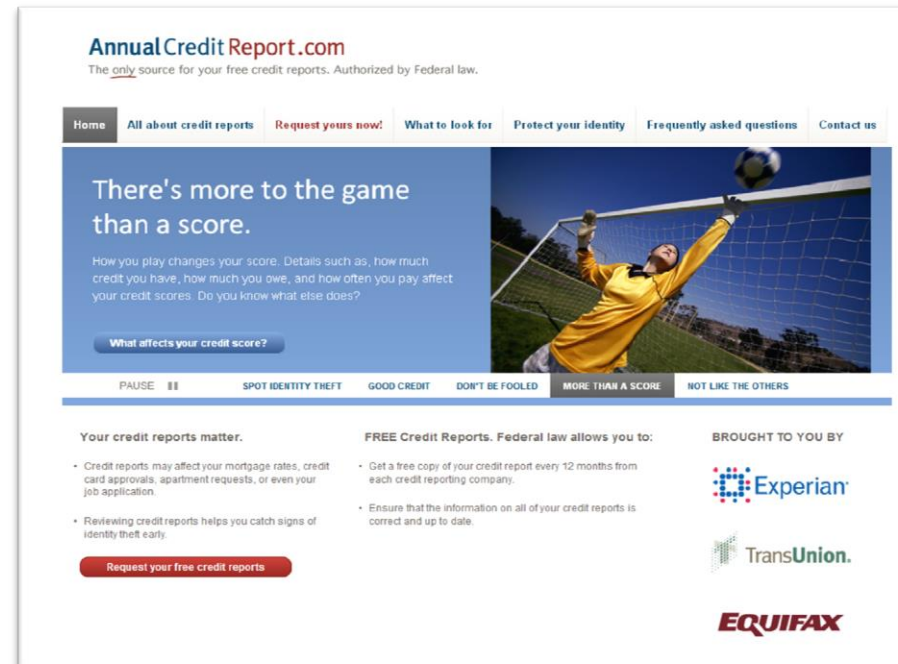
The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.

[Financial Aid Review](#)

[Exit Counseling](#)

FOIA | Privacy | Security | Notices

WhiteHouse.gov | USA.gov | ED.gov



AnnualCreditReport.com
The only source for your free credit reports. Authorized by Federal law.

[Home](#) [All about credit reports](#) [Request yours now!](#) [What to look for](#) [Protect your identity](#) [Frequently asked questions](#) [Contact us](#)

There's more to the game than a score.

How you play changes your score. Details such as, how much credit you have, how much you owe, and how often you pay affect your credit scores. Do you know what else does?

[What affects your credit score?](#)

PAUSE || SPOT IDENTITY THEFT GOOD CREDIT DON'T BE FOOLED MORE THAN A SCORE NOT LIKE THE OTHERS

Your credit reports matter.

- Credit reports may affect your mortgage rates, credit card approvals, apartment requests, or even your job application.
- Reviewing credit reports helps you catch signs of identity theft early.

FREE Credit Reports. Federal law allows you to:

- Get a free copy of your credit report every 12 months from each credit reporting company.
- Ensure that the information on all of your credit reports is correct and up to date.

[Request your free credit reports](#)

BROUGHT TO YOU BY

Experian

TransUnion

EQUIFAX

Private Alternative Loans (includes Residency/Relocation loans)

- Usually 6 to 9 month grace (interim) period
- Most deferred for at least 3 years during residency
- read promissory note or call lender to check parameters on length of forbearance and necessary documentation of internship/residency
- Interest rate will change as frequent as the index used (indexes include 30 day LIBOR; 91 day LIBOR; PRIME RATE)
- there is usually no ceiling on the interest rate.
- Not cancelled upon death or permanent disability

Contact all of your loan Servicers REQUIRED!

- 45 days before or after your last date of enrollment
- Confirm
 1. That you are no longer enrolled
 2. repayment amount/amount owed
 3. Grace period:
 - Start date
 - End date
 - when first payment is due!!!
 4. when Forbearance form should be submitted(for Stafford and Grad PLUS)
- When calling, keep log of date, time, phone #, and who you spoke to
- Update your address

Forbearance

- **What is it?** Postponement of your federal loans for a set period of time - usually for 12 months at a time.
- Available for duration of residency for Stafford, Grad PLUS and Federal Consolidation Loans
- Application required at least annually – most servicers require a form for sign-off from Housestaff Office
- **Mandatory** that servicer grant forbearance for duration of residency... but borrower MUST ask for it/complete annual form
- Interest **accrues** and may **capitalize** on **all loans**, subsidized and unsubsidized – confirm with your servicer
- Use only after you have exhausted your grace period

Dates To Remember- What to do and when to do it! (See chart in handout-page 2)

- Grace periods relate to each individual loan borrowed.
- If you have consolidated any loans, you have used the grace period and repayment will start immediately at graduation (check with servicer for exact date). Federal Grad PLUS loans have no grace period (check with servicer to confirm options such as immediate forbearance or **ALIGNMENT** of loan with Stafford).
- If you used the **full** 6 month Grace period on a loan or group of loans (e.g., between college and TJU, leave of absence) you do not get another grace period on these loans
- FILE FOR FORBEARANCE 2 - 4 WEEKS BEFORE REPAYMENT DUE DATE – Standard form is usually necessary
- If no consolidation or if loan was never in repayment, 6 month grace period still exists.



FFELP vs. DIRECT Loans (Stafford/Grad PLUS)

- DIRECT - Federal loans borrowed directly from government; only lender beginning 7/1/10 - sometimes referred to as a “DL” loan; Direct lending existed prior to 2010 but with only about 100 schools
- FFELP - Federal loans borrowed from a bank/lender (e.g., Wells Fargo, Citibank). Most have been turned over to federal servicer
- FFELP loans not eligible for PAYE and Public Service Loan Forgiveness

Federal Repayment Plans/Options

				INCOME "DRIVEN" REPAYMENT OPTIONS				
Federal FFELP/Direct Loan Repayment Options	Standard Repayment	Extended Repayment	Graduated Repayment	Income Sensitive Repayment	Income Contingent Repayment	Income Based Repayment	Pay As You Earn	Revised Pay As You Earn (REPAYE)
Monthly Payment	Equal/Level Monthly Payments	Equal/Level Monthly Payments	Start Low & increase every 2 years	Payments tied to Income	Payments tied to Income	Payments tied to Income	Payments tied to Income	Payments tied to Income
Monthly Payment Calculation	Principal + interest for repayment period divided by repayment months	Principal + interest for repayment period divided by repayment months	will never be less than the amount of interest that accrues between your payments, and won't be more than three times greater than any other payment.	Payments tied to Income	The lesser of the following: 20% of your discretionary income or what you would pay on a repayment plan with a fixed payment over the course of 12 years, adjusted according to your income	Generally 15% of your discretionary income, but never more than the 10-year Standard Repayment Plan amount	Generally 10% of your discretionary income, but never more than the 10-year Standard Repayment Plan amount	Generally 10% of your discretionary income: no cap on annual repayment plan amount
Repayment Period	10 Years	25 Years	10 Years (up to 30 years for consolidated loans)	10 Years	25 Years	25 Years	20 Years	All Undergraduate Loans - 20 years Mixture of Undergrad and Grad loans or all Grad Loans – 25 years
What Federal Loans Qualify	FFELP and Direct	FFELP and Direct	FFELP and Direct	FFELP Only	Direct Loans Only	FFELP and Direct	Direct Loans Only	Direct Loans Only
Taxable Cancellation Available?	NO	NO	NO	YES	YES	YES	YES	23 YES

Income-Driven Repayment

- ⦿ Payment based primarily on household income
- ⦿ Payment will change as income changes  
- ⦿ Annual Income Verification (W2s, tax returns, paycheck stub, employment contract). *DEPENDING ON SERVICER*
- ⦿ Family size also taken into consideration
- ⦿ ONLY Federal education loans - cannot include Perkins/LDS/NSL unless included in a Federal Direct Loan consolidation
- ⦿ Partial subsidy available for the 1st 3 yrs to those who qualify (subsidized Stafford only)
- ⦿ Unpaid interest will NOT capitalize
- ⦿ Maximum payment amount will never exceed the payment based on standard 10 yr repayment schedule (not applicable for REPAYE program)
- ⦿ *Remaining balance forgiven after 20 years (PAYE) or 25-years (IBR) of payments*
- ⦿ *amount forgiven is taxable*

Income-Driven Repayment Plans

- for federal loans only

- *Income-Based Repayment (IBR)*

- For borrowers with federal loans prior to 2007
- Monthly Payment is **15%** of discretionary income/payments over **25** years
- Taxable Cancellation on any remaining debt
- Married filing separately tax status can be used
- Partial Financial Hardship must exist (calculated payment must be less than the monthly standard 10 year payment amount)

- *Pay As You Earn (PAYE)*

- For borrowers with no federal loans as of 10/1/2007 and Received a federal loan disbursement on or after 10/1/2011
- Monthly Payment is **10%** of discretionary income/payments over **20** years
- Direct loans only
- Taxable Cancellation on any remaining debt
- Married filing Separately tax status can be used
- Partial Financial Hardship must exist (calculated payment must be less than the monthly standard 10 year payment amount)

Income-Driven Repayment Plans (continued)

New Income Driven Repayment Option

REPAYE (*Revised Pay As You Earn*)

- Direct loans only
- Monthly Payment is **10%** of discretionary income
- Repayment Period:
 - All Undergraduate Loans - **20** years
 - Mixture of Undergrad and Grad loans or all Grad Loans - **25** years
- Taxable Cancellation on any remaining debt
- Partial Financial Hardship is not required
- Payments not capped at the 10-year standard payment amount
- Provides a more generous interest benefit if your payment does not cover all the interest
- *If married, spouse's income must be used - joint income tax return must be filed; Cannot use "married filing separately" status*

Income-Driven Repayment

Caps monthly loan payments

15%/10% of income that exceeds 150% of the poverty line for borrower's family size (Individual = \$1,300 Couple = \$1,750)

	<u>IBR</u>	<u>PAYE</u>
Monthly Gross Income (\$50K gross)	\$3,729	\$3,729
150% of the poverty line	- \$1,300	- \$1,300
	= \$2,867	= \$2,867
% of difference	~~~~~x .15	X .10
Monthly Loan Payment	= \$ 430	\$ 287

IBR & PAYE

Partial Financial Hardship (PFH)

\$2,350 / mo

>

**\$430 (IBR) or
\$290 (PAYE)**

Must have PFH to enter into IBR or PAYE

- Can remain in IBR or PAYE in subsequent years, even without a PFH
- Must submit annual documentation
- Max payment in IBR or PAYE is the Standard amount (determined when entering the plan)

Based on a 2016 graduate indebtedness of \$180,000 with a PGY1 stipend of \$52,300 and a family size of one.

Income-Driven Repayment

Benefits

1. Partial interest subsidy during the first 3 years on Subsidized Stafford Loan Interest
2. Unpaid interest does not capitalize when:
 1. Annual paperwork* is filed timely
 2. Borrower demonstrates a PFH (Does not apply to RE-PAYE)
3. Possible loan forgiveness

*As reported to the IRS. Annual verification required of both AGI and family size

To enter, borrower must

- Contact each servicer to request
- Give access to household AGI* (tax records)
- Inform servicer(s), annually, of family size
- Demonstrate a Partial Financial Hardship (PFH)

Income-Based Repayment (IBR) Monthly Loan Payment

Annual AGI	Family Size						
	1	2	3	4	5	6	7
\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$20,000	\$47	\$0	\$0	\$0	\$0	\$0	\$0
\$25,000	\$109	\$39	\$0	\$0	\$0	\$0	\$0
\$30,000	\$172	\$102	\$32	\$0	\$0	\$0	\$0
\$35,000	\$234	\$164	\$94	\$24	\$0	\$0	\$0
\$40,000	\$297	\$227	\$157	\$87	\$16	\$0	\$0
\$45,000	\$359	\$289	\$219	\$149	\$79	\$10	\$0
\$50,000	\$422	\$352	\$282	\$212	\$141	\$71	\$0
\$55,000	\$484	\$414	\$344	\$274	\$204	\$134	\$64
\$60,000	\$547	\$477	\$407	\$337	\$266	\$196	\$126
\$65,000	\$609	\$539	\$469	\$399	\$329	\$259	\$189
\$70,000	\$672	\$602	\$532	\$462	\$391	\$321	\$251
\$75,000	\$734	\$664	\$594	\$524	\$454	\$384	\$314
\$80,000	\$797	\$727	\$657	\$587	\$516	\$446	\$376
\$85,000	\$859	\$789	\$719	\$649	\$579	\$509	\$439
\$90,000	\$922	\$852	\$782	\$712	\$641	\$571	\$501
\$95,000	\$984	\$914	\$844	\$774	\$704	\$634	\$564
\$100,000	\$1,047	\$977	\$907	\$837	\$766	\$696	\$626

**Pay as you Earn (PAYE) Repayment
Revised Pay as you Earn (REPAYE)
Approximate Monthly Payment Amount**

Annual Income (AGI)	Family Size				
	1	2	3	4	5
\$10,000	\$0	\$0	\$0	\$0	\$0
\$20,000	\$0	\$0	\$0	\$0	\$0
\$25,000	\$27	\$0	\$0	\$0	\$0
\$30,000	\$69	\$19	\$0	\$0	\$0
\$35,000	\$110	\$61	\$11	\$0	\$0
\$40,000	\$194	\$144	\$95	\$45	\$0
\$45,000	\$235	\$186	\$136	\$87	\$37
\$50,000	\$277	\$228	\$178	\$129	\$79
\$55,000	\$319	\$269	\$220	\$170	\$121
\$60,000	\$360	\$311	\$261	\$212	\$162
\$65,000	\$402	\$353	\$303	\$254	\$204

Income-Driven Repayment

Online Calculators



www.finaid.org

www.IBRinfo.org

Studentloans.gov

**[SEE FAQ located at
www.ibrinfo.org](http://www.ibrinfo.org)**

Loan Repayment Plans Resources

IBR

www.ibrinfo.org

PAYE

StudentAid.gov/PayAsYouEarn

All repayment

<http://studentloans.gov>

Two Options During Residency



Repayment Plans

Monthly payments for the entire repayment term are calculated up-front and disclosed to you.

Traditional

Standard

\$2,350/mo

Extended

\$1,380/mo

Graduated

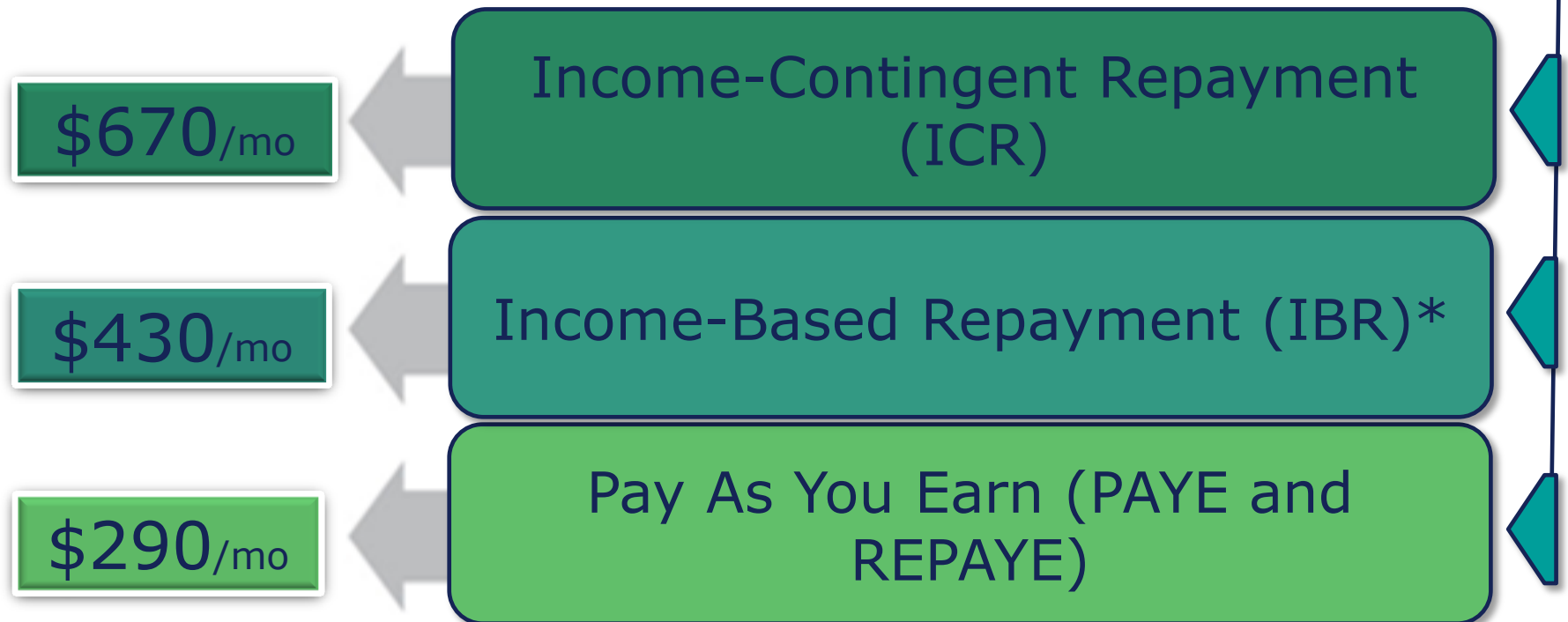
\$1,100/mo

Based on a 2016 graduate indebtedness of \$180,000 with a PGY1 stipend of \$52,300 and a family size of one.

Repayment Plans

Monthly payments are based on your income and other factors - **recalculated annually.**

Income-Driven



Based on a 2016 graduate indebtedness of \$180,000 with a PGY1 stipend of \$52,300 and a family size of one.
* New Borrowers on or after July 1, 2014 that select IBR will receive payment amounts equal to that of PAYE.

10 Year Public Service Loan Forgiveness (PSLF)

- Must work for a non-profit organization under section 501(c)(3) of IRS code
- includes most not-for-profit private schools, colleges, and universities.
- Each of the 120 payments must have been made during a period of qualifying employment and under qualifying plan
- Payments do not need to be consecutive
- Only Direct Loans qualify (consolidation may be necessary)
- After 120 qualifying payments, remaining balance can be forgiven tax free;
- **MyFedLoan is only federal servicer managing PSLF**

Pros and Cons of Public Service Loan Forgiveness Program

- Will federal funding be available in 10 years??
- Will you be required to make career decisions regarding where you work based on program??
- Will your plans change?
- Do you have the financial ability to make loan payments as a resident when payments and income are lowest for you??
- How much federal debt will remain for forgiveness after 10 years??
- Will you have more income potential over a lifetime in the private sector than what would be forgiven in this program working in a non-profit???

10 Year Public Service Loan Forgiveness

• On January 31, 2012, the Department released a voluntary Employment Certification Form that borrowers can submit to the Department for a determination of whether their employment and payments qualify for PSLF

- Borrower has employer complete employment verification section
- Borrower submits form to FedLoan Servicing (regardless of who current servicer is)
- FedLoan Servicing determines whether employment qualifies
- If employment qualifies, borrower's loans are transferred to FedLoan Servicing, for a determination of how many qualifying payments were made during the period of employment
- Borrowers loans remain at FedLoan servicing permanently

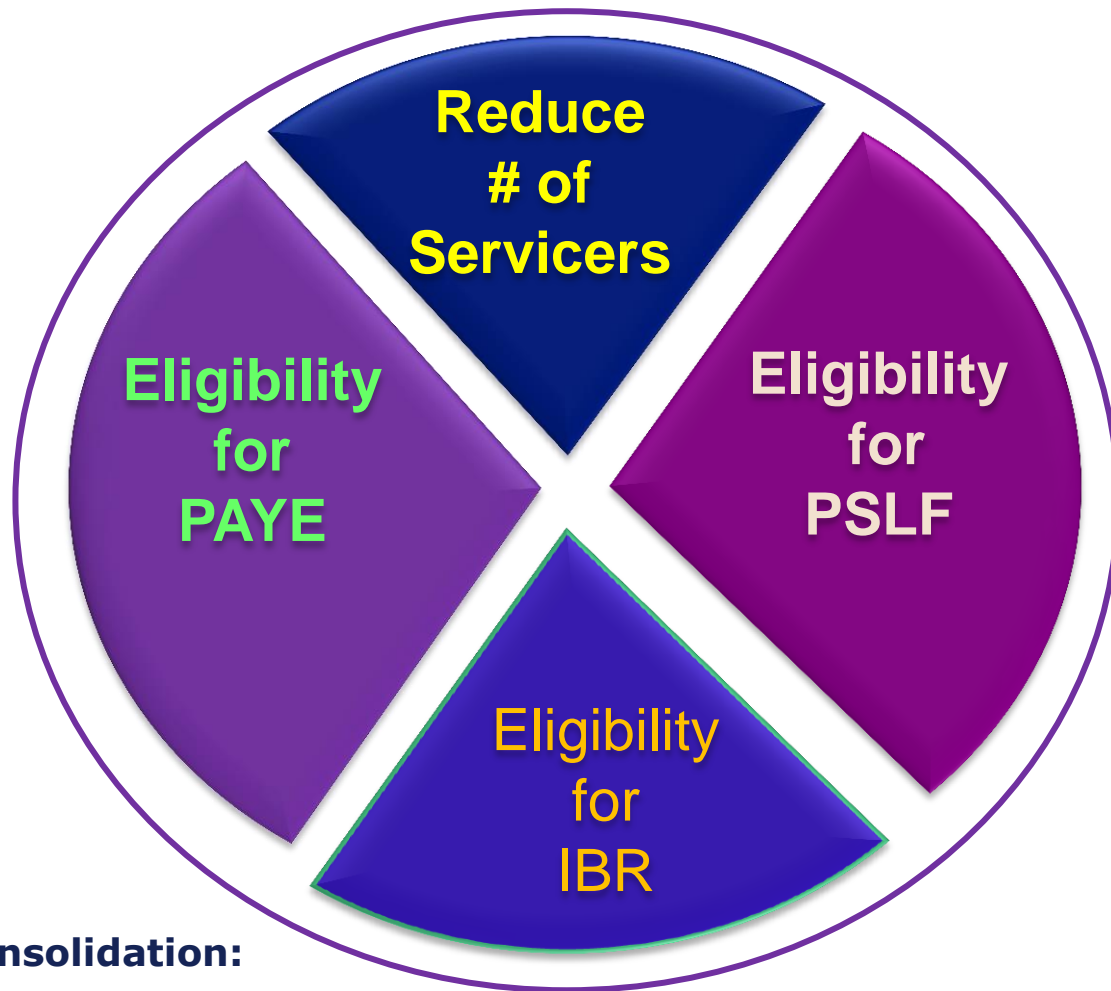
• Borrower can submit the form as often as annually

For more, including Q&As, see [StudentAid.gov/PublicService](https://studentaid.gov/PublicService)

Consolidation Fast Facts

- Combining many federal loans into one loan, one set of new terms, with one servicer - **NEW** you can choose the servicer (note: MyFedLoan is the only servicer for PSLF)
- Interest rate is determined by calculating the weighted average (+1/8 point) of all loans being consolidated - interest rate is fixed.
- Have option of consolidating all federal loans or only some-or none at all
- Federal Government is the only entity offering federal Consolidation <http://studentloans.gov> (Click “Repayment and Consolidation” box.)

Reasons to Consolidate



Why to consider consolidation:

1. Multiple servicers to repay (**convenience**)
2. To obtain Public Service Loan Forgiveness (DL) (**if consolidated, Perkins, LDS, and FFELP loans will become Direct Loans**)
3. To make Perkins or LDS loans eligible for IBR or PAYE and PSLF

When to Consolidate

- If you consolidate before your grace period is exhausted, you may lose the remaining grace period. (Don't consolidate in June)
- Start consolidation 40-60 days prior to first payment
- Can be done online (debt from NSLDS is integrated)
- If consolidation is not complete before first payment is due, apply for forbearance on all loans included in the consolidation so no payment is necessary (don't make any payments after you have started the application).
- A repayment plan will be chosen at this time but entering repayment is not required; forbearance can be utilized
- More than likely, a new forbearance on the consolidated loan would need to be filed.

Paying Loans Off Early

- You can **prepay** your federal student loans with no penalties.
- make payments towards the highest cost **unsubsidized loans** that may have the **most frequent capitalization**.

Unless otherwise noted, loan payments typically are applied first toward collection costs (attorney's fees, etc.), then interest, and finally principal

Repayment Hierarchy - do you have the ability to make voluntary or extra payments?

- Review all of your debt - include credit cards, car loans etc.
- Calculate which is the most expensive using interest rate, repayment terms etc.
- Start making voluntary/extra payments to the most expensive first
- Perkins/institutional loans - cheapest during 1st year while interest is subsidized

Loan repayment programs

- Military
- NHSC
- Pennsylvania
- Delaware
- NIH
- Other - see AAMC resource at http://services.aamc.org/fed_loan_pub

Tax Benefits

- Lifetime Learning Credit
- Tuition and Fee deduction
- Deduction for student loan interest payments

Taxpayer Relief Act of 1997

Student Loan Interest Deduction

	Full Deduction	Partial Deduction	NO Deduction
Single	\$65,000 or less	\$65,001 to \$80,000	\$80,001 or more
Married filing Jointly	\$130,000 or less	\$130,001 to \$160,000	\$160,001 or more

Limited to: First 60 months of repayment

Max student loan interest deduction: \$2,500/year

May be eligible: Voluntary payments & capitalization

www.irs.gov/publications/p970

Mortgages

- The Financial Aid Office is not the “lender” of any of your loans. Therefore I/we cannot state anything in writing that indicates your eligibility to postpone your loans.
- Feel free to take anything already in print from the packet or the book
- contact your servicer directly.
- Upon request - handout from the federal Common Manual with policy on Mandatory Forbearance can be emailed to you

IMPORTANT TO REMEMBER!!!!

- Don't default – don't ignore your debt
- **After 270 days late, servicer assumes you will not pay**
- **Servicer can garnish your wages and tax refunds**
- **Servicer can sue - you are responsible for costs**
- **Collection agencies take over**
- **Default is recorded on Credit Report**
- **School can withhold records**
- **Professional Licenses are pulled in a growing number of states**
- **Student loans rarely discharged in bankruptcy**

- Keep all your servicers updated as to phone numbers, address, change in residency status
- Call your servicer if you need help
- Call Financial Aid Office – we are here to help for as long as you need it

Student Loan Ombudsman



- The student can contact the Ombudsman's office if unable to resolve any loan difficulties with the school, lender, servicer or guarantor. The contact information for the Student Loan Ombudsman's Office is:

**U.S. Department of Education
FSA Ombudsman Group
PO Box 1843
Monticello, KY 42633**

- Customer Service Line (877) 557-2575
- Website for more information on acceptable issues and to make inquiry

<https://studentaid.ed.gov/sa/repay-loans/disputes/prepare/contact-ombudsman>

Summary

- Reconcile your records  Financial Aid Office records
-  servicers records
- Contact your servicers to update address/phone number etc.
- Find out when:
 1. the grace period starts and ends
 2. when first payment is due
 3. ask when to file your forbearance request or request for repayment plan. **DON'T SUBMIT FORBEARANCE FORMS TOO EARLY!**
- Make schedule and submit all paperwork when necessary **or** be prepared to make a payment by due date if not forbearing.
- Don't wait until last minute to get your finances in order. Know what you have!
- Ask questions.

Contact information:

University Office of Student Financial Aid

1015 Walnut Street, 1st Floor

Suite 115

Philadelphia, Pa 19107

Financial.aid@jefferson.edu

215-955-2867

If you need an appointment, *call* the office to schedule a time!!