STUDENT LOAN REPAYMENT STRATEGIES FOR MEDICAL STUDENTS

ROWAN UNIVERSITY
SCHOOL OF OSTEOPATHIC MEDICINE

Presenter: Joe Garzillo, Vice President and Region Head, East Region
Date: March 23, 2017
The information contained in this presentation is not comprehensive, is subject to constant change, and therefore should serve only as general, background information for further investigation and study related to the subject matter and the specific factual circumstances being considered or evaluated. Nothing in this presentation constitutes or is designed to constitute legal advice.
Today’s discussion will help you to…

- Know your loan portfolio – loan types and relative cost
- Know deferment and forbearance options
- Know the cost before choosing a repayment plan
- Know important decision points
- Know your available resources
THE BASICS
Know Your Loan Portfolio

- **Know what types of loans you have**
  - Federal Loans
  - Direct Loans
  - Perkins Loans
  - Private/Alternative Loans

- **Identify your servicers**
  - Federal and/or private loans may not all be with one servicer
    - Great Lakes
    - Nelnet
    - Fed Loan Servicing
    - Navient
Finding Your Federal and Private Student Loans

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

Private Student Loan
www.annualcreditreport.com
National Credit Bureau Agencies

EQUIFAX:  Phone: 800-685-1111  
Website:  www.Equifax.com

Experian:  Phone: 888-397-3742  
Website:  www.Experian.com

TransUnion: Phone: 800-916-8800  
Website:  www.TransUnion.com
**Track Your Types of Loans**

**Tip:**
Remember to list the type of loan **exactly** as it appears in NSLDS

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Servicer</th>
<th>Servicer Contact</th>
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</table>

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Track your Servicer

Tip:
List the name of the servicer as it appears in the loan detail section of NSLDS

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Servicer</th>
<th>Servicer Contact</th>
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</tbody>
</table>
Track Your Servicer Contact Info

Tip:
List the phone number of the servicer as it appears in the loan detail section of NSLDS

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Servicer</th>
<th>Servicer Contact Info</th>
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</tbody>
</table>
**Subsidized vs Unsubsidized Loans**

**Subsidized Loans**
Have no interest cost while student is in school, in grace (if applicable), or in a period of authorized deferment

**EXAMPLES**
- Subsidized Stafford Loans*
- Perkins Loans
- Consolidation Loans- portion of underlying eligible subsidized loans
- Some institutional loans (see promissory note or aid office)

**Unsubsidized Loans**
Borrower is responsible for interest that accrues from the time of disbursement

**EXAMPLES**
- Unsubsidized Stafford Loans
- PLUS Loan for Graduate Students
- Consolidation Loans- unsubsidized portion, which includes the unsubsidized Stafford loans plus any Perkins
- Private Loans

*Effective July 1, 2012, Subsidized Stafford Loans are no longer be available for graduate students.

Note: Consolidated Appropriations Act (Public Law 112-74) eliminated the interest subsidy during the 6-month grace period on subsidized Stafford loans made from July 1, 2012 through June 30, 2014.
RELATIVE COST OF A STUDENT LOAN
Relative Costs of a Student Loan

- **Interest Rate**
  - What the lender charges for the use of money
  - The higher the interest rate, the more the loan will cost overall

- **Interest Capitalization**
  - Interest capitalization occurs when unpaid interest is added to the principal amount of a loan, increasing the principal amount outstanding

- **Borrower Benefits/Repayment Incentives**
  - Interest rate reductions
  - Credits to loan balance
  - Some benefits and repayment incentives impose eligibility requirements such as signing up for automatic debt or making a certain number of on-time payments
### Loan Interest Rates

<table>
<thead>
<tr>
<th>Loan type</th>
<th>Undergraduate Rates</th>
<th>Graduate Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Subsidized Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>3.40%</td>
<td>N/A</td>
</tr>
<tr>
<td>2013-14</td>
<td>3.86%</td>
<td>N/A</td>
</tr>
<tr>
<td>2014-15</td>
<td>4.66%</td>
<td>N/A</td>
</tr>
<tr>
<td>2015-16</td>
<td>4.29%</td>
<td>N/A</td>
</tr>
<tr>
<td>2016-17</td>
<td>3.76%</td>
<td>N/A</td>
</tr>
<tr>
<td>Direct Unsubsidized Loans*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre AY 13-14: 6.8%</td>
<td>Pre AY 13-14: 6.8%</td>
<td></td>
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<tr>
<td>AY 13-14: 3.86%</td>
<td>AY 13-14: 3.86%</td>
<td></td>
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<tr>
<td>AY 14-15: 4.66%</td>
<td>AY 14-15: 6.21%</td>
<td></td>
</tr>
<tr>
<td>AY 15-16: 4.29%</td>
<td>AY 15-16: 5.84%</td>
<td></td>
</tr>
<tr>
<td>AY 16-17: 3.76%</td>
<td>AY 16-17: 5.31%</td>
<td></td>
</tr>
<tr>
<td>Graduate PLUS Loans*</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>AY 13-14: 7.9%</td>
<td>AY 13-14: 6.41%</td>
<td></td>
</tr>
<tr>
<td>AY 14-15: 7.21%</td>
<td>AY 14-15: 7.21%</td>
<td></td>
</tr>
<tr>
<td>AY 15-16: 6.84%</td>
<td>AY 15-16: 6.84%</td>
<td></td>
</tr>
<tr>
<td>AY: 16-17 6.31%</td>
<td>AY: 16-17 6.31%</td>
<td></td>
</tr>
<tr>
<td>Consolidation Loan</td>
<td>Fixed rate based on</td>
<td></td>
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<tr>
<td></td>
<td>weighted-average</td>
<td></td>
</tr>
<tr>
<td></td>
<td>interest rate of</td>
<td></td>
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<td></td>
<td>underlying loans</td>
<td></td>
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<tr>
<td></td>
<td>rounded up to nearest one-eighth of a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>percent (capped at 8.25%)</td>
<td></td>
</tr>
<tr>
<td>Private Loans</td>
<td>Many lenders offer both variable and fixed rate options.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest rates range from 2.5% – 12.99%.</td>
<td></td>
</tr>
</tbody>
</table>

*Rates in effect for loans issued on or after July 1, 2006.

- Stafford loans disbursed from 7/1/1998 to 6/30/2006 carry variable rates, which are adjusted annually, each July 1.
- The variable rate for Stafford loans during the 2015-16 academic year is 1.75% for loans in an in-school, grace or deferment period, 2.35% for loans in repayment or forbearance.
- These rates apply to both undergraduate and graduate students.

Note: Rate for Grad PLUS loans issued under the Federal Family Education Loan Program is 8.50%.

Federal student loan information was gathered on August 26, 2016 from https://studentaid.ed.gov. Rates, fees and availability of federal loan products are subject to change by the Federal Government. Check this web site for the most up-to-date information about federal loan products.

Based on an August 24, 2016 review of competitors’ loan programs and repayment features.
Record your Loan Amount

Tip:
List the amount of each loan

<table>
<thead>
<tr>
<th>Loans</th>
<th>Loan Amount</th>
<th>Interest Rate</th>
<th>Grace Period (Yes or No)</th>
<th>Action Date*</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

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Record Current Interest Rate

**Tip:**
List the interest rate associated with each loan

<table>
<thead>
<tr>
<th>Loans</th>
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<tbody>
<tr>
<td>Loan Amount</td>
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</tbody>
</table>

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Interest Capitalization and Its Impact

- Interest on most loans accrues from the date funds are disbursed until the loan is paid in full.
- Capitalization is the addition of unpaid accrued interest to the principal balance of a loan. The less frequent the better.
- Capitalization may occur more frequently for certain loans during forbearance.

The chart provides estimates, for a $5,000 Stafford loan with a 6.8% interest rate, of the monthly payments due at the end of a 12 month forbearance for a 10 year term.

<table>
<thead>
<tr>
<th>Treatment of Interest During Forbearance Status</th>
<th>Principal at Repayment</th>
<th>Cap. Int. During Forbearance</th>
<th>Principal at end of Forbearance</th>
<th>Payment Amount</th>
<th>Total Amount Repaid</th>
<th>Total Interest Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Int. is paid as it accrues</td>
<td>$5,000</td>
<td>$0</td>
<td>$5,000</td>
<td>$57.54</td>
<td>$6,904.88</td>
<td>$1,904.88</td>
</tr>
<tr>
<td>Int. is capitalized at end of status</td>
<td>$5,000</td>
<td>$340</td>
<td>$5,340</td>
<td>$61.45</td>
<td>$7,374.55</td>
<td>$2,374.55</td>
</tr>
</tbody>
</table>

Tip: Students should consider asking family to help with interest.
Interest Capitalization and Its Impact

- Interest on most loans accrues from the date funds are disbursed until the loan is paid in full.
- Capitalization is the addition of unpaid accrued interest to the principal balance of a loan. The less frequent the better.
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<table>
<thead>
<tr>
<th>Treatment of Interest During Forbearance Status</th>
<th>Principal at Repayment</th>
<th>Cap. Int. During Forbearance</th>
<th>Principal at end of Forbearance</th>
<th>Payment Amount</th>
<th>Total Amount Repaid</th>
<th>Total Interest Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Int. paid as it accrues</td>
<td>$25,000</td>
<td>$0</td>
<td>$25,000</td>
<td>$293</td>
<td>$44,321</td>
<td>$20,393</td>
</tr>
<tr>
<td>Int. is capitalized at end of status</td>
<td>$32,360</td>
<td>$2,333</td>
<td>$35,667</td>
<td>$407</td>
<td>$48,790</td>
<td>$24,862</td>
</tr>
</tbody>
</table>

Tip: Students should consider asking family to help with interest.
Interest Capitalization and Its Impact

- Interest on most loans accrues from the date funds are disbursed until the loan is paid in full.
- Capitalization is the addition of unpaid accrued interest to the principal balance of a loan. The less frequent the better.
- Capitalization may occur more frequently for certain loans during forbearance.

The chart provides estimates, for $50,000 in Grad PLUS loans from a 4 year program with a 7.21% interest rate, of the monthly payments due at the end of a 12 month forbearance.

<table>
<thead>
<tr>
<th>Treatment of Interest During Forbearance Status</th>
<th>Principal at Repayment</th>
<th>Cap. Int. During Forbearance</th>
<th>Principal at end of Forbearance</th>
<th>Payment Amount</th>
<th>Total Amount Repaid</th>
<th>Total Interest Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Int. is paid as it accrues</td>
<td>$50,000</td>
<td>$0</td>
<td>$50,000</td>
<td>$586</td>
<td>$88,642</td>
<td>$40,786</td>
</tr>
<tr>
<td>Int. is capitalized at end of status</td>
<td>$64,720</td>
<td>$4,666</td>
<td>$69,387</td>
<td>$813</td>
<td>$97,580</td>
<td>$49,724</td>
</tr>
</tbody>
</table>

Tip: Students should consider asking family to help with interest.
Paying Loans Off Early

- Borrowers can always prepay federal and private student loans without penalty

- Be aware of the relative cost and make payments towards unsubsidized loans while in school/during deferments that have the highest rates and/or most frequent capitalization. This should save more money over time.

- Unless otherwise noted, loan payments typically are applied first toward late fees, then interest, and finally principal
Understanding Grace Periods

**Grace Period** - period of time after a borrower graduates, leaves school or drops to less than half-time

- Payments may not be required during this period
- No application required
- Loan specific, varies according to loan – once used completely, it’s gone
  - Direct Subsidized and Unsubsidized loans have a six-month grace period
  - Private and Institutional loans: check your promissory note

- Unsubsidized federal loans continue to accrue interest during the grace period

- Taking advantage of a grace period does not adversely impact credit
Record your Grace Period Status
Track Dates You Need to Take Action

Tip:

This is one of the most important items to document. List the date that you have to take action on your loan. This can either be the graduation date or the date your grace period expires. This can be confirmed by your servicer(s).
Tracking Your Loans

Utilize this chart to help you track your loans

<table>
<thead>
<tr>
<th>Tracking My Loans</th>
<th>Type of Loan</th>
<th>Servicer</th>
<th>Servicer Contact Info</th>
<th>Loan Amount</th>
<th>Interests Rate</th>
<th>Grace Period (if any)</th>
<th>Action Date</th>
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Understanding Federal Loan Deferments

Deferment: period when a borrower who *meets certain criteria* may postpone loan payments

- Application may be required depending on deferment type; recertification for subsequent deferment periods may also be required
- Federal student loan deferments are “borrower” specific, meaning eligibility is attached to the borrower and there is a max deferment time allotted for certain deferments
- The government pays interest on a borrower’s behalf for subsidized loans during authorized deferment periods

Note: Unsubsidized loans continue to accrue interest for which the borrower is responsible. Unless the interest is paid by the borrower, it may be capitalized (added to your principal balance) at the end of the deferment period. To keep your total loan cost lower, you may want to consider paying all or some of the interest that accrues during this time.

Common Types of Deferments:
- In-School
- Economic Hardship
- Unemployment
- Military
- Graduate Fellowship
Understanding Federal Loan Forbearance

Discretionary Forbearance: allows a borrower who cannot make scheduled payments to temporarily delay or reduce the payments

- Interest continues to accrue on subsidized and unsubsidized loans during a forbearance period.

- Interest that accrues during the forbearance remains the borrower’s responsibility.

- Unpaid interest may be capitalized at the end of the forbearance depending on the loan type and when the loan was disbursed. Additionally, there is a max forbearance time allotted.

- Capitalization of interest increases the amount to pay back, and will result in a higher payment amount after the forbearance. To keep your total loan cost lower, you may want to consider paying all or some of the interest that accrues during this time.

TIPS:

Be careful, the use of forbearance adds expense!

Forbearances can help you stay out of delinquency and default!
Medical and dental school residents are eligible to receive a forbearance during their residency as long as the residency meets certain criteria such as being required for a degree, certificate, or licensing for professional practice or service. (Renewable on an annual basis in 12-month increments)
Delinquency & Default

Delinquency & defaults on student loans can adversely impact your credit history

- Delinquency
  - Failure to make payment(s) when due
  - Reported to credit bureaus; affects borrowers history

- Default
  - Collection agencies may take over adding to cost
  - Lender can take legal action
  - School can withhold records
  - Federal defaults could include wage garnishment & withholding of federal tax refunds
  - Student loans are rarely discharged in bankruptcy
A FICO® Score is a three-digit number calculated from the credit information on your credit report at a particular point in time. It summarizes information in your credit report into a single number than lenders can use to assess your credit risk quickly.

FICO® Scores fall within the 300-850 score range.

Learning your FICO® Score can help you better understand your credit risk.
Ways to Improve Your Credit Score

Credit scores are continually changing, depending on how well - or poorly - the person manages their credit.

- General tips for improving your financial health:
  - Pay bills on time
  - Apply for credit only when necessary
  - Keep credit card balances to less than 50% of the available credit limit
  - Make more than the minimum payment
  - Have a mix of credit account types
  - Review your credit report regularly
  at annualcreditreport.com

Tip: The longer your credit history, the better!
Repayment Plans

- **Standard Repayment (Federal and Direct Loans)**
  - Level monthly payments that cover accruing interest and a portion of principal over a 10-year period
  - Higher monthly payments
  - Lowest overall cost

- **Graduated Repayment (Federal and Direct Loans)**
  - Payments start low, increase over time
  - Interest only payments followed by standard principal & interest
  - Finish in 10 years
  - Higher overall cost – but provides lower initial payment amounts
Repayment Plans (Continued)

- **Income Sensitive Repayment (Federal Loans Only)**
  - Payments are based on percentage of your monthly income
  - Payments must be sufficient to cover accruing interest
  - Finish in 10 years (may be extended to 15 years)

- **Extended Repayment (Federal and Direct Loans)**
  - Available to borrowers who have accumulated more than $30K in Direct or FFELP Federal Stafford, PLUS & Consolidation loans first disbursed on or after October 7, 1998
    - Direct and Federal Loans are accumulated separately in determining eligibility
  - Repayment can be extended up to 25 years
  - Permits you to manage monthly cash flow needs, but will increase your cost
### Federal Loan Repayment Comparison

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>First Monthly Payment</th>
<th>Last Monthly Payment</th>
<th>Total Amount Paid</th>
<th>Projected Loan Forgiveness</th>
<th>Repayment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$2,209</td>
<td>$2,209</td>
<td>$265,125</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Graduated</td>
<td>$1,262</td>
<td>$3,786</td>
<td>$282,491</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>$1,275</td>
<td>$1,275</td>
<td>$382,556</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>$982</td>
<td>$1,935</td>
<td>$416,421</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>$385</td>
<td>$816</td>
<td>$131,502</td>
<td>$281,499</td>
<td>300 months</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$385</td>
<td>$612</td>
<td>$87,704</td>
<td>$347,896</td>
<td>240 months</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$277</td>
<td>$1,224</td>
<td>$197,254</td>
<td>$297,246</td>
<td>300 months</td>
</tr>
<tr>
<td>IBR for New Borrowers</td>
<td>$385</td>
<td>$612</td>
<td>$87,704</td>
<td>$347,896</td>
<td>240 months</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>$469</td>
<td>$1,804</td>
<td>$302,609</td>
<td>$218,831</td>
<td>300 months</td>
</tr>
</tbody>
</table>

Assumes $200,000 in graduate loans over a 4 year period ($82,000 unsubsidized and $118,000 GradPLUS). Assumes current interest rate of 6.84% for all unsubsidized loans and 6.84% for all GradPLUS Loans; annual income of $40,000 and household size of 1. Note: The DOE Calculator rounds the interest rates down to 5.3% and 6.3% respectively.

Source: Information gathered 8/2016 from https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action
- **Income-Contingent Repayment (Direct Loans Only)**
  - Payment is based on income
  - Student loan payments will not exceed 20% of “discretionary income”
  - Negative amortization is allowed
  - Up to 25 years to repay
  - Balance remaining after 25 years’ worth of payments can be forgiven (reportable as income)

- **Income-Based Repayment (Federal and Direct Loans)**
  - Available to federal loan borrowers experiencing financial hardship
  - Student loan payments will not exceed 15% of “discretionary income”
  - If eligible for IBR, borrower’s monthly payment will be determined by a formula that takes into account household size and adjusted gross income. Increases in income will impact the required monthly payment amount
  - Unpaid balance may be forgiven after 25 years of scheduled monthly payments (reportable as income)

- **Pay As You Earn – PAYE (Direct Loans)** Announced by ED December 21, 2012
  - Available to new Direct loan borrowers (except Parent PLUS) experiencing financial hardship
  - No loan balance as of October 1, 2007, and
  - Received a Direct loan on or after October 1, 2011
  - Student loan payments will not exceed 10% of “discretionary income”
  - Similar to Income Based Repayment, borrower’s monthly payment will be determined by a formula that takes into account family size and adjusted gross income. Increases in income will impact the required monthly payment amount
  - Unpaid balance may be forgiven after 20 years of qualifying repayment (reportable as income)
# Federal Loan Repayment Plans

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Eligible Loans</th>
<th>Monthly Payment &amp; Timeframe</th>
<th>Quick Comparison</th>
</tr>
</thead>
</table>
| Revised Pay As You Earn Repayment Plan (REPAYE) Effective December 2015 | • Direct Subsidized and Unsubsidized Loans  
• Direct PLUS loans made to students  
• Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents | • Your monthly payments will be 10 percent of discretionary income.  
• Payments are recalculated each year and are based on your updated income and family size.  
• If you’re married, both your and your spouse’s income or loan debt will be considered, whether taxes are filed jointly or separately (with limited exceptions).  
• Any outstanding balance on your loan will be forgiven if you haven’t repaid your loan in full after 20 or 25 years. | • Any Direct Loan borrower with an eligible loan type may choose this plan.  
• Your monthly payment can be more than the 10-year Standard Plan amount.  
• You may have to pay income tax on any amount that is forgiven.  
• Good option for those seeking Public Service Loan Forgiveness (PSLF) |

## Federal Loan Repayment Plans

<table>
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<tr>
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</tr>
</thead>
</table>
| Consolidation | • Direct Subsidized Loans  
• Direct Unsubsidized Loans  
• Subsidized Federal Stafford Loans  
• Unsubsidized Federal Stafford Loans  
• Direct PLUS Loans  
• PLUS loans from FFELP  
• Supplemental Loans for Students (SLS)  
• Federal Perkins Loans  
• Federal Nursing Loans  
• Health Education Assistance Loans  
• A PLUS loan made to the parent of a dependent student cannot be transferred to the student through consolidation. | • A Direct Consolidation Loan has a fixed interest rate for the life of the loan. The fixed rate is based on the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest one-eighth of 1%. There is no cap on the interest rate of a Direct Consolidation Loan.  
• The repayment term ranges from 10 to 30 years, depending on the amount of your consolidation loan, your other education loan debt, and the repayment plan you select. | • You’ll pay more for your loan over time than under the 10-year standard plan. |

Source: This information was gathered 3/8/2016 from: https://studentaid.ed.gov/sa/
Private Loan Repayment

- Private loans are almost always unsubsidized for the life of the loan
- Repayment terms vary
- Choice of repayment plans may be available
- Residency and internship deferments may be available
- Forbearances may be available
  - Consult your loan provider

TIP:
Refer to your promissory note and/or your servicer to determine your available options
Federal Loan Forgiveness Program for Public Service Employees

- Eligibility limited to Federal Direct Student Loan Program (FDLP) Loans
  - FFELP Stafford, PLUS and Consolidation are not eligible

- FFELP Borrowers may consolidate in the FDLP

- Additionally, borrowers must have:
  - Made 120 on-time monthly payments beginning after October 1, 2007 during eligible public service employment.
  - Payments must be made under one of the payment plans: Income Based, Pay As You Earn, Income Contingent or any payment equivalent to the 10-year standard payment amount.
  - Worked full time in eligible public service employment for ten years after October 1, 2007.
  - At the time the remaining loan balance is forgiven, must be employed in an eligible public service job.

Other loan forgiveness programs may also be available – do your research!
It will take you at least 10 years to make the 120 qualifying payments necessary to receive PSLF.

During this time you’ll want to track your periods of qualifying employment.

The Employment Certification Form will allow you to get your employer’s certification of employment while you are still employed.

Student Loan Interest Deduction

- Borrowers may be eligible to deduct student loan interest
- Deduction may not exceed $2,500 per year
- Voluntary payments of interest during school, deferment or forbearance may be eligible for deduction
- Interest paid on consolidation loans may be deducted
- There are eligibility rules, including income limits
  - The limits for Federal Tax Year 2016 are shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Full Deduction</th>
<th>Partial Deduction</th>
<th>No Deduction</th>
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</thead>
<tbody>
<tr>
<td><strong>Single</strong></td>
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<tr>
<td>Modified Adjusted</td>
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<tr>
<td>Gross Income is &lt;=</td>
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<td>$65,000</td>
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<td>$60,001 to $79,999</td>
<td>$80,000 or more</td>
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<tr>
<td>**Married Filing</td>
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<tr>
<td>jointly**</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Gross Income is &lt;=</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>$130,000</td>
<td></td>
<td>$130,001 to $159,999</td>
<td>$160,000 or more</td>
</tr>
</tbody>
</table>


NOTE: For information about your specific tax situation and any tax advice, please contact a tax professional.

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Keep Good Records

- Get all loan documents together: keep them on file!
  - Promissory notes
  - Disclosure statements
  - Award Letters
- Exit interview information
- Open and READ student loan mail
- Bookmark loan servicer’s websites
- Notify loan servicer(s) of name & address changes
- Document calls to servicer: date/time of call & person who handled the call
- Keep important numbers available
Resources

- School Financial Aid
- Lender/servicer
- Federal Student Aid Ombudsman
  - U.S. Department of Education – FSA Ombudsman
  - http://www.ombudsman.ed.gov or 1-877-557-2575
- Federal Loan Servicers:
  - Great Lakes: 800-236-4300 www.mygreatlakes.org
  - Navient: 800-722-1300 www.navient.com
  - Nelnet: 888-486-4722 www.nelnet.com
Final Tips for Managing Your Loans and Finances

Make payments automatically
You won’t forget to make your payment and you could also get a reduction on your interest rate.

Make payments each and every month
Resist putting off your payments, as deferment or forbearance typically means you’ll pay more over the life of the loan.

Pay a little extra each month
Extra payments can help you pay off your loan faster.

Create a budget
Track your monthly expenses to help you cut out unnecessary items and pay down your debt even faster.

If you fall behind, get help
Call your loan servicer to discuss your options. Changes to your payment plan may provide the flexibility you need.

Build an emergency fund
Aim to save $500 to $1,000 to cover unexpected expenses.

Beware of scams
Fraudulent companies might claim to offer easy ways to lower your loan payments and even try to charge you fees. If you have doubt about a service offered, contact your servicer.

Don’t miss important information
Keep your loan servicers updated with any change in mailing address, email, and phone numbers so they can keep in touch with you.
Questions?