loan exit counseling
Today’s Agenda

• Types of loans
• Managing your loans
• Loan Forgiveness/Cancellation
• Debt Management Strategies and Financial Resources
know your loans
Types of Loans

• Federal Direct Loans
  • Subsidized
  • Unsubsidized
• PLUS
• Private
## Interest Rates –Federal Loans (pg 10)

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Loan</th>
<th>Date of First Disbursement</th>
<th>Fixed Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate &amp; Professional Students</td>
<td>Direct Unsubsidized</td>
<td>On or after 7/1/2014 On or after 7/1/2013 2011 – 6/30/2013</td>
<td>6.21% 5.41% 6.80%</td>
</tr>
<tr>
<td>Direct PLUS</td>
<td></td>
<td>On or after 7/1/2014 On or after 7/1/2013 2011 – 6/30/2013</td>
<td>7.21% 6.41% 7.90%</td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td>Various</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unsubsidized</td>
<td>PLUS</td>
<td>Private</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------</td>
<td>------</td>
<td>---------------</td>
</tr>
<tr>
<td>Interest Accrual while in School</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Grace Period after Graduation</td>
<td>6 mo.</td>
<td>6 mo.</td>
<td>Depends on the loan – check your prom note</td>
</tr>
</tbody>
</table>
managing your loans to avoid default
Managing Your Loans

1. Where is my loan and what is my payment amount?

2. What is consolidation?

3. What repayment plan is right for me?
Who is my servicer?
When will I need to start making payments?
How much do I owe?
Aid Summary for Mark Martin

Your enrollment status is **FULL TIME**, effective 08/30/2010.

### Loans

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Loan Amount</th>
<th>Loan Date</th>
<th>Disbursed Amount</th>
<th>Canceled Amount</th>
<th>Outstanding Principal</th>
<th>Outstanding Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECT STAFFORD UNSUBSIDIZED</strong></td>
<td>$17,000</td>
<td>08/17/2012</td>
<td>$17,000</td>
<td>$0</td>
<td>$17,000</td>
<td>$142</td>
</tr>
<tr>
<td><strong>DIRECT STAFFORD UNSUBSIDIZED</strong></td>
<td>$12,000</td>
<td>08/18/2011</td>
<td>$12,000</td>
<td>$0</td>
<td>$12,000</td>
<td>$760</td>
</tr>
<tr>
<td><strong>DIRECT STAFFORD SUBSIDIZED</strong></td>
<td>$6,500</td>
<td>06/19/2011</td>
<td>$6,500</td>
<td>$0</td>
<td>$6,500</td>
<td>$0</td>
</tr>
<tr>
<td><strong>DIRECT PLUS GRADUATE</strong></td>
<td>$10,000</td>
<td>08/19/2011</td>
<td>$10,000</td>
<td>$0</td>
<td>$10,000</td>
<td>$735</td>
</tr>
<tr>
<td><strong>DIRECT PLUS GRADUATE</strong></td>
<td>$10,000</td>
<td>06/20/2010</td>
<td>$9,635</td>
<td>$165</td>
<td>$9,631</td>
<td>$1,417</td>
</tr>
<tr>
<td><strong>DIRECT STAFFORD UNSUBSIDIZED</strong></td>
<td>$12,000</td>
<td>08/20/2010</td>
<td>$12,000</td>
<td>$0</td>
<td>$12,000</td>
<td>$1,487</td>
</tr>
<tr>
<td><strong>DIRECT STAFFORD SUBSIDIZED</strong></td>
<td>$6,500</td>
<td>06/20/2010</td>
<td>$6,500</td>
<td>$0</td>
<td>$6,499</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Total DIRECT STAFFORD UNSUBSIDIZED** | **$41,000** | **$2,369** |
**Total DIRECT STAFFORD SUBSIDED**     | **$16,999** | **$0**      |
**Total DIRECT PLUS GRADUATE**         | **$19,831** | **$2,152**  |
**Total All Loans**                    | **$77,830** | **$4,541**  |
Details Loan Information for Mark Martin

Your enrollment status is FULL TIME, effective 08/30/2010.

Type of Loan: DIRECT STAFFORD UNSUBSIDIZED
Loan obtained while attending the DUKE UNIVERSITY

Scheduled Start of Repayment: 07/01/2013
Loan Period Begin Date: 08/27/2012
Loan Period End Date: 12/16/2012

### Amounts and Dates

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Outstanding Principal Balance</th>
<th>Outstanding Principal Balance As of Date</th>
<th>Outstanding Interest Balance</th>
<th>Outstanding Interest Balance As of Date</th>
<th>Interest Rate</th>
<th>Canceled Amount</th>
<th>Canceled Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,000</td>
<td>$17,000</td>
<td>09/30/2012</td>
<td>3142</td>
<td>09/30/2012</td>
<td>FIXED</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

### Disbursement(s) and Status(es)

<table>
<thead>
<tr>
<th>Disbursement Date</th>
<th>Disbursement Amount</th>
<th>Loan Status</th>
<th>Status Description</th>
<th>Status Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/17/2012</td>
<td>$17,000</td>
<td>IA</td>
<td>LOAN ORIGINATED</td>
<td>08/17/2012</td>
</tr>
</tbody>
</table>

### Servicer/Lender/Guaranty Agency/ED Servicer Information

<table>
<thead>
<tr>
<th>Contact Type</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Servicer:</td>
<td>Ext:</td>
</tr>
<tr>
<td>Current Lender:</td>
<td>Ext:</td>
</tr>
<tr>
<td>Current ED Servicer:</td>
<td></td>
</tr>
</tbody>
</table>

DEPT OF ED/FEDLOAN SERVICING(PHEAA)
P O BOX 530210
ATLANTA
GA 30348
800-699-2908 Ext:
accountinfo@myfedloan.org www.myfedloan.org
What is my payment amount?

Log into your loan servicer’s website to find out your loan payment amount.
Managing Your Loans

1. Where is my loan and what is my payment amount?

2. What is consolidation?

3. What repayment plan is right for me?
Federal Loan Consolidation

- Allows you to combine all of your federal student loans into a single loan.
- Repayment starts immediately
- Not a refinance tool, just debt management
Federal Loan Consolidation

New for 2014:

• You may keep your current loan servicer, or

• You may choose your loan servicer
  – Great Lakes
  – Nelnet
  – PHEAA (Fed Loan Servicing)
  – Sallie Mae

• to apply, go to www.studentloans.gov for paper or electronic application
Should I ever pay someone to consolidate my loans?
Managing Your Loans

1. Where is my loan and what is my payment amount?

2. What is consolidation?

3. What repayment plan is right for me?
Repayment Options – Stafford and PLUS

Balance Driven
- Standard
- Graduated
- Extended

Income Driven
- Income Contingent
- Income Based Repayment
- Pay As You Earn

0.25% rate reduction for auto debit
**Standard**

- Available for all Federal Loans
- 10 year repayment schedule
- Fixed payment amount

**Graduated**

- Available for all Direct, FFEL, and Federal Consolidation Loans (w/out Parent PLUS)
- Payment amount is lower in the earlier years of repayment and gradually increase over time.
- Payment amount is generally reset every two years.
Extended

- Available for all Direct, FFELP, and Federal Consolidation Loans (w/out parent PLUS)
- Must have more than $30,000 in outstanding Direct or FFEL Loans.
- Up to 25 year repayment
- Payments are fixed or graduated, and are not based on income.
$154,000 Loan @ 7% Interest

**Standard**
- (10 Years)
- Payment = $1,787
- Interest = $60,406
- Total Paid = $214,406

**Graduated**
- (10 Years)
- Payment = $1,087 up to $3,098
- Interest = $77,170
- Total Paid = $231,170

**Extended**
- (25 Years)
- Payment = $1,087
- Interest = $172,026
- Total Paid = $326,026

*Higher payment = less cash flow, less cost*

*Lower payment = more cash flow, more cost*
Income Driven Plans

1994  Income Contingent Plan (ICR)
      Direct Loan Borrowers with eligible loans

2009  Income Based Plan (IBR)
      Direct and FFEL Loan Borrowers with eligible loans

2012  Pay As Your Earn (PAYE)
      New borrowers after 10/1/2007 who received a Direct Loan on or after 10/1/2011
Eligible Loans

Loans that are eligible

• FFEL Loans (if consolidated)
• Direct Stafford Loans
• Direct Grad PLUS Loans
• Direct Consolidated Loans

Loans that are not eligible

• FFEL Loans
• Parent PLUS Loans
• Direct Parent PLUS Loans
• Consolidated Loans that include Parent PLUS Loans
## Income Driven Plans – Payment Comparison

<table>
<thead>
<tr>
<th></th>
<th>ICR</th>
<th>IBR</th>
<th>PAYE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Amount Limit</td>
<td>20% of discretionary income</td>
<td>15% of discretionary income</td>
<td>10% of discretionary income</td>
</tr>
<tr>
<td>Interest Subsidy</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Allows for Loan Forgiveness</td>
<td>After 25 Years</td>
<td>After 25 Years</td>
<td>After 20 Years</td>
</tr>
<tr>
<td>Partial Financial Hardship Required</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
PAYMENT COMPARISON

Borrower has loan debt of $154,000
7% interest rate
Salary is $75,000/year
Single with no dependents

ICR Payment = $1,056
PIF in 14 yrs
$257,940 paid

IBR Payment = $719
PIF in 22 yrs.
$340,740 paid

PAYE Payment = $479
$169,608 forgiven
$199,496 Paid
What plan should I choose?

www.studentaid.ed.gov
What if I can’t make my payment?
# Deferment and Forbearance

(postponing your payments)

<table>
<thead>
<tr>
<th>Deferment</th>
<th>Forbearance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In School (at least half-time)</td>
<td>• Receiving education award</td>
</tr>
<tr>
<td>• Military Service</td>
<td>• Medical or Dental internship or residency</td>
</tr>
<tr>
<td>• Economic Hardship (3 yr. max)</td>
<td>• Economic Hardship</td>
</tr>
<tr>
<td>• Unemployment (3 yr. max)</td>
<td>• Discretionary</td>
</tr>
</tbody>
</table>
Deferment Qualifications

**Unemployment**

- be unemployed or working less than full time, and
- Seeking, but unable to find full-time employment in any field, and
- Registered with a public or private employment agency,
- Be eligible for unemployment benefits

**Economic Hardship**

- Receiving/received payment under a federal or state public assistance program
- Peace Corps volunteer
- Working full-time and your monthly income does not exceed the larger of the federal minimum wage rate or 150% of the poverty guideline.
Steps to avoid default

✓ Finish your program
✓ Pay on time
✓ Stay in touch with your loan servicer
✓ Select the right payment plan
✓ Use a deferment and/or a forbearance if you qualify

But what happens if I default? see page 17
loan forgiveness
Public Service Forgiveness

• Available for Direct Loans only (Not FFELP)
• Make 120 on time payments (does not need to be consecutive)
• Make each payment under a qualifying payment plan (income driven or 10 Yr. Standard)
• Makes each payment while employed full-time by the government or a qualifying non-profit organization - 501(c) (3)
• Balance is forgiven and not treated as taxable income
• Submit forms annually to the Department of Ed
Discharge

- Total and Permanent Disability Discharge
- Death

Student loans are usually not dischargeable due to bankruptcy
prepare your finances
To Do List

- Attend Exit Counseling
- Fill out the personal data form
- Prepare for your first loan payment
- Start (or continue) a savings account
- Create a budget
- Get a copy of your credit report and know your credit score
- Protect your Identity
- Keep good records
Personal Data Form
www.financialaid.duke.edu/loans

Personal Reference Form
Nurse Faculty Loan Rights & Responsibilities/Questionnaire

- Deferment Forms
- Cancellation Forms
- Forbearance Forms
- Stafford/Grad PLUS Public Service Forgiveness
- Federal Direct Loan Teacher Forgiveness
- PLUS Loan Forms
- Private Alternative Loan Forms
- Institutional Loan Forms
To Do List

- Attend Exit Counseling
- Fill out the personal data form
- Prepare for your first loan payment
- Start (or continue) a savings account
- Create a budget
- Get a copy of your credit report and know your credit score
- Protect your Identity
- Keep good records
Read your Rights and Responsibilities
Gather your loan information...

- Prepare for my loan Payment
  - My First Payment is due on ____________________________
  - My Monthly Payment is $ ___________________________
  - Am I eligible for forgiveness? Yes ______ No ______
  - Does my payment fit into my budget? Yes ______ No ______
  - If no, contact your servicer to select another repayment plan
Repayment tips...

Are there *penalty fees* for paying my loan early?

NO!!

How can I make sure my extra payment is properly posted?

Send WRITTEN instructions with your payment and follow up.

What if my servicer does NOT follow my instructions?

File a complaint...
Resolving Disputes

Federal Loans

Federal Student Aid Ombudsman’s Office

U.S. Department of Education
FSA Ombudsman
830 First Street, NE, Fourth Floor
Washington, DC 20202-5144

www.ombudsman.ed.gov
fsaombudsmanoffice@ed.gov
Ph: 877-557-2575 (toll free)

Private Loans

Consumer Financial Protection Bureau (CFPB)

P.O. Box 4503
Iowa City, Iowa 52244

www.consumerfinance.gov
Phone: 855-411-CFPB (2372)
Fax: 855-237-2392
Student Loan Interest Deduction
1098-E

<table>
<thead>
<tr>
<th>RECIPIENT’S/LENDER’S name, address, city or town, province or state, country, ZIP or foreign postal code, and telephone number</th>
<th>OMB No. 1545-1576</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RECIPIENT’S federal identification no.</th>
<th>BORROWER’S social security number</th>
<th>Copy B For Borrower</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Student loan interest received by lender</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BORROWER’S name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Street address (including apt. no.)</td>
<td></td>
</tr>
<tr>
<td>City or town, province or state, country, and ZIP or foreign postal code</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account number (see instructions)</th>
<th>2 If checked, box 1 does not include loan origination fees and/or capitalized interest for loans made before September 1, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□</td>
</tr>
</tbody>
</table>

Form 1098-E (keep for your records) www.irs.gov/form1098e Department of the Treasury - Internal Revenue Service
To Do List

- Attend Exit Counseling
- Fill out the personal data form
- Prepare for your first loan payment
- Start (or continue) a savings account
- Create a budget
- Get a copy of your credit report and know your credit score
- Protect your Identity
- Keep good records
To Do List

- Attend Exit Counseling
- Fill out the personal data form
- Prepare for your first loan payment
- Start (or continue) a savings account
- Create a budget
- Get a copy of your credit report and know your credit score
- Protect your Identity
- Keep good records
Get your credit report

One of these things is not like the others.

You may think you have one credit report and one credit score. But you really have several, and they may differ. You should check all three reports regularly.

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

Equifax
Experian
TransUnion
Get your credit score
Repaying your student loans on time will have the largest positive impact on your credit score.
To Do List

- Attend Exit Counseling
- Fill out the personal data form
- Prepare for your first loan payment
- Start (or continue) a savings account
- Create a budget
- Get a copy of your credit report and know your credit score
- Protect your Identity
- Keep good records
Privacy & Identity

Your personal information is a valuable commodity. It’s not only the key to your financial identity, but also to your online identity. Knowing how to protect your information — and your identity — is a must in the 21st century. Here are some tips to doing it effectively.

Limiting Unwanted Calls & Emails
Some phone calls and emails are important, some can be annoying, and others are just plain illegal. Learn how to reduce the number of unwanted messages you get by phone and online.

Computer Security
The internet offers access to a world of products and services, entertainment and information. At the same time, it creates opportunities for scammers, hackers, and identity thieves. Learn how to protect your computer, your information, and your online files.

Kids’ Online Safety
The opportunities kids have to socialize online come with benefits and risks. Adults can help reduce the risks by talking to kids about making safe and responsible decisions.

http://www.consumer.ftc.gov
What are the common warning signs for identity theft?

• Credit card charges that you don't recognize

• Calls or letters about things you didn't buy

• Bills that arrive on unusual days

• New credit cards or statements for accounts that you didn't open

• Denials of credit for no apparent reason

• Information on your credit reports you don't recognize, such as accounts or addresses

www.annualcreditreport.com