

# STUDENT LOAN REPAYMENT, AND CONSOLIDATION

*Office of Student Financial Management*

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# TODAY'S AGENDA

- **Locating Your Loans**
- **Loan Types and Rates**
- **Repayment Options**
- **Loan Forgiveness**
- **Loan Consolidation**
- **Bar Study Loans**

# WHO DO I PAY? HOW MUCH DO I OWE?

Answering these questions should be your first priority.

- Visit [www.StudentLoans.gov](http://www.StudentLoans.gov)
  - Use FAFSA PIN to access ([www.pin.ed.gov](http://www.pin.ed.gov))
  - Click on “Repayment Estimator” in the right hand column
  - Click on “View/Add Loans”
    - Provides information about all federal student loans including:
      - Loan types borrowed
      - Loan balances
      - Lender/servicer contact information
      - Interest rate
    - If you still plan on borrowing additional loans, you can add loan amounts to the list to see the total amount of debt
- If you borrowed private loans, you can check your credit report for lender contact information ([www.annualcreditreport.com](http://www.annualcreditreport.com))

# VIEWING LOAN HISTORY ON STUDENTLOANS.GOV

- My Loan Documents**
- Disclosure Statements
- Completed MPNs
- Direct PLUS Loan Requests
- PLUS Correspondence
- Completed Endorser Addenda
- IBR/Pay As You Earn/ICR Repayment Plan Requests
- Direct Consolidation Loan Applications
- PLUS Loan Process**
- Request Direct PLUS Loan
- Document Extenuating Circumstances
- Endorse Direct PLUS Loan
- Print Endorser Addendum
- Master Promissory Note**
- Complete MPN
- Print MPN
- Counseling**
- Complete Counseling
- View Completed Counseling
- Repayment**
- Complete Direct Consolidation Loan Application and Promissory Note
- Complete IBR/Pay As You Earn/ICR Repayment Plan Request
- Co-sign Spouse's IBR/Pay As You Earn/ICR Repayment Plan Request
- Tools and Calculators**
- Repayment Estimator

## Welcome to StudentLoans.gov

Before you begin, verify that your personal information is up to date.

The personal information displayed is based on the information returned from the Federal Student Aid PIN Web site. If any of the information is incorrect, you must correct it at the Federal Student Aid PIN Web site.

**Once you have confirmed your information, select what you would like to do:**

- [Complete Counseling](#) (Entrance, Financial Awareness, and Exit)
- [Complete Master Promissory Note](#)
- [Request a Direct PLUS Loan](#)
- [Endorse a Direct PLUS Loan](#)
- [Complete Direct Consolidation Loan Application and Promissory Note](#)
- [Complete IBR/Pay As You Earn/ICR Repayment Plan Request](#)
- [Co-sign Spouse's IBR/Pay As You Earn/ICR Repayment Plan Request](#)
- [I am not sure](#) (we will ask you a series of questions to direct you)

FOIA
Privacy
Security
Notices
Stay Connected:

## Repayment Estimator

### 1 Your Loans

Your Loan Balance **\$150,000**

Interest Rate **6.5 %**

View or Add Your Loans

[More Information](#)

Use Average Loan Balances

[More Information](#)

### 2 Your Tax Filing Status

Select your tax filing status:

### 3 Your Income

[Adjusted Gross Income \(AGI\)](#)

[Family Size](#)

State of Residence

### Initial Monthly Payment

Initial Monthly Payment | Final Monthly Payment |  
Total Interest Paid | Total Amount Paid

# LOANS YOU MAY HAVE BORROWED:

- **(FFEL) Subsidized/ Unsubsidized Loan**
  - Originally borrowed from a private lender such as Wells Fargo or CollegeInvest
  - Loans borrowed during the 08-09 and 09-10 academic years were likely sold to the Dept. of Ed.
- **(FFEL) Graduate PLUS Loan**
  - Originally borrowed from a private lender such as Wells Fargo or CollegeInvest
  - Loans borrowed during the 08-09 and 09-10 academic years were likely sold to the Dept. of Ed.
- **Direct Subsidized/Unsubsidized Loan**
  - Borrowed directly from the Dept. of Ed.
  - All loans borrowed starting in the 10-11 academic year are Direct
- **Direct Graduate PLUS Loan**
  - Borrowed directly from the Dept. of Ed.
  - All loans borrowed starting in the 10-11 academic year are Direct
- **Perkins Loan**
  - Borrowed directly from a school
- **Bar Study Loan – not a federal loan**
- **Private Educational Loan (SallieMae Smart Options, Wells Fargo Collegiate, CitiAssist) – not a federal loan**

# LOAN INTEREST RATES

Loan	2015-16	2014-15	2013-14	7/2006 -6/2013	Pre-2006
Direct (Stafford) Loan <i>for grad students</i>	5.84%	6.21%	5.41%	6.8%	variable
Direct Graduate PLUS Loan	6.84%	7.21%	6.41%	7.9%	n/a
FFEL Graduate PLUS Loans				8.5%	n/a
Direct Unsubsidized (Stafford) Loan <i>for undergrad students</i>	4.29%	4.66%	3.86%	6.8%	variable
Direct Subsidized (Stafford) Loan <i>for undergrad students</i>				3.4% - 6.8% depending on year	
Perkins Loans	5%				
Private and Bar Study Loans	Rates determined by lender. Can be fixed or variable.				

# WHEN DOES REPAYMENT START?

**GRACE PERIOD** – A period of time, after a borrower leaves school, during which payments on loans are not required.

## Length of Grace Period:

Direct/Stafford Loan:	6 months
Direct Graduate PLUS:	6 months – granted as an administrative forbearance
Perkins Loan:	9 months
Private & Bar Loans	Varies by lender, typically 6-9 months

## Note:

Only 1 grace period is awarded per loan. If you have loans from before law school, that entered repayment, these will re-enter repayment as soon as you are no longer enrolled.

# STUDENT LOAN REPAYMENT OPTIONS

- **Standard Repayment**

- 10 year repayment (120 payments)
- Repay a fixed amount each month until your loans are paid in full.
- Monthly payment of, at least, \$50

- **Extended Repayment**

- 25 year repayment (300 payments)
- To qualify, you must have, at least \$30,000 in federal student loan debt
- Repay a fixed amount each month until your loans are paid in full

- **30-Year Repayment (Consolidation)**

- Available only to students who have consolidated their loans
- Pay a fixed amount each month until your loans are paid in full

- **Graduated Repayment**

- Available for all the different repayment plan lengths
- Monthly loan payments start off lower and increase every 2 years
- No single payment will be more than 3x larger than any other payment



# INCOME DRIVEN REPAYMENT (IDR) PLANS

- Payments are based on **income & family size**
  - Can be as low as \$0
  - **Discretionary Income** = Adjusted Gross Income (AGI) minus 150% of the poverty guideline for your family size
- Make payments until:
  - (1) You pay the loan off in full,
  - (2) You reach the end of the repayment plan,
  - (3) You qualify for Public Service Loan Forgiveness.
- If you reach the end of the repayment plan, the remaining loan principal & interest are cancelled.
  - **The cancelled amount is considered taxable income**
- You must re-apply for these plans **every year**
  - Apply online at [www.StudentLoans.gov](http://www.StudentLoans.gov)

# INCOME DRIVEN PLAN COMPARISON

	IBR	PAYE	new IBR	RE-PAYE
<b>Payment Amount:</b>	15% discretionary income	10% discretionary income	10% discretionary income	10% discretionary income
<b>Repayment Length:</b>	25 yrs (300 pmts)	20 yrs (240 pmts)	20 yrs (240 pmts)	25 yrs (300 pmts) if have graduate debt 20 yrs (240 pmts) if have ugrad debt only
<b>Married Borrowers:</b>	Includes joint income if file taxes jointly, borrower's income only if file married filing seperately.	Includes joint income if file taxes jointly, borrower's income only if file married filing separately.	Includes joint income if file taxes jointly, borrower's income only if file married filing separately.	Includes joint income, regardless of how taxes are filed
<b>Payment Cap:</b>	amt of 10-Yr Standard pmt	amt of 10-Yr Standard pmt	amt of 10-Yr Standard pmt	None
<b>Other:</b>				If monthly payments do not cover full amount of interest accrued, only 50% of accrued interest is assessed.
<b>Criteria:</b>	All borrowers: FFEL & Direct Loans	Direct loans only. No loans prior to Oct 1, 2007 & at least one loan on/after Oct 1, 2011	Direct loans only. No loans prior to 07/01/2014	All borrowers: Direct Loans only

# COMPARING REPAYMENT PLANS

## Standard, Extended and Graduated Repayment

Loan Balance @ Repayment		Standard (10yr)	Extended (25yr)	Graduated (10yr)	Extended Graduated (25yr)
\$65,000	Monthly Payment	\$715	\$408	\$408 - \$1,224	\$314 - \$627
	Amount Repaid	\$85,815	\$123,266	\$91,346	\$134,234
\$100,000	Monthly Payment	\$1,118	\$654	\$640 - \$1,921	\$512 - \$973
	Amount Repaid	\$134,130	\$196,050	\$143,319	\$213,130
\$150,000	Monthly Payment	\$1,693	\$1,000	\$972 - \$2,916	\$796 - \$1,469
	Amount Repaid	\$203,167	\$300,105	\$217,596	\$325,873
\$200,000	Monthly Payment	\$2,268	\$1,347	\$1,304 - \$3,912	\$1,079 - \$1,964
	Amount Repaid	\$272,210	\$404,187	\$291,884	\$438,630

Interest rate assumption: 5.84% for first \$65,000; 6.84% for any amount above \$65,000)

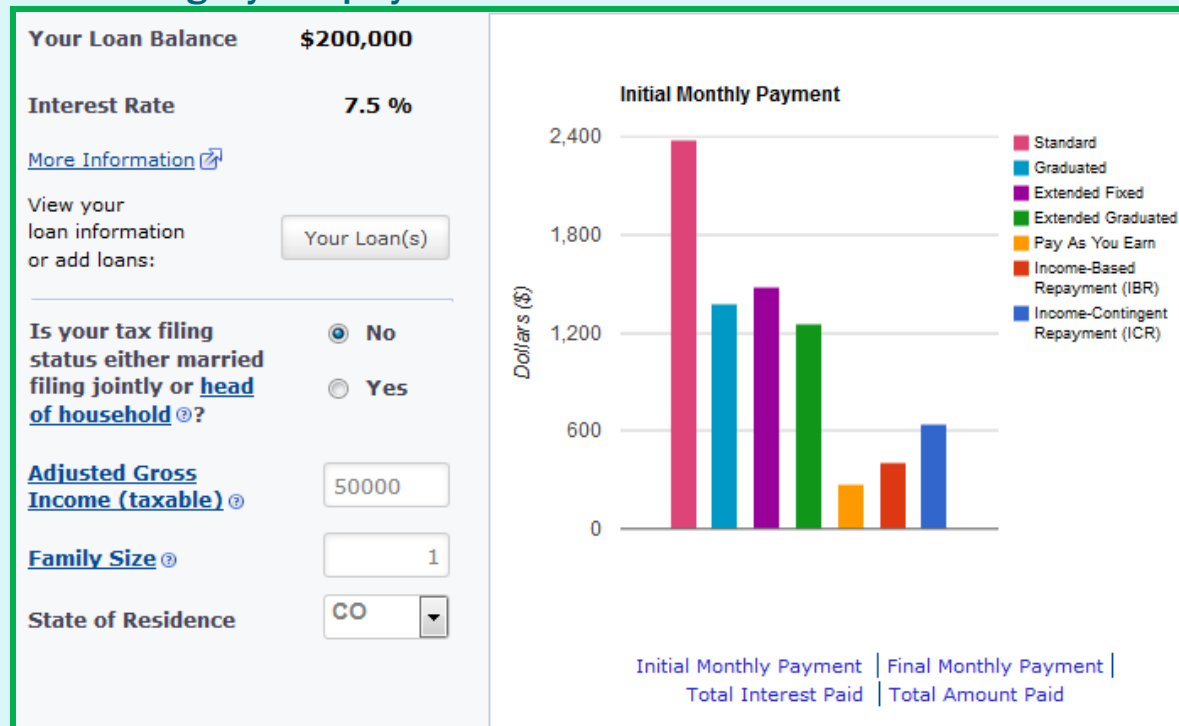
## IBR/PAYE Monthly Payment Amounts

AGI	\$30,000		\$40,000		\$50,000		\$60,000		\$75,000		\$100,000	
	IBR	PAYE new IBR	IBR	PAYE new IBR	IBR	PAYE new IBR	IBR	PAYE new IBR	IBR	PAYE new IBR	IBR	PAYE new IBR
Family Size: 1	\$154	\$103	\$279	\$186	\$404	\$270	\$529	\$353	\$717	\$478	\$1029	\$686
2	\$76	\$51	\$201	\$134	\$326	\$218	\$451	\$301	\$639	\$426	\$951	\$634
3	\$10	\$10	\$123	\$82	\$248	\$166	\$373	\$249	\$561	\$374	\$873	\$582
4	\$0	\$0	\$45	\$30	\$170	\$114	\$295	\$197	\$483	\$322	\$795	\$530

Based on the 2015 federal poverty guidelines for the 48 contiguous states

# PERSONALIZED REPAYMENT ESTIMATOR

- To view an estimate of what your payments would be based on your current borrowing, you can go to [www.StudentLoans.gov](http://www.StudentLoans.gov).
  - Click on “**Repayment Estimator**”
  - This estimator will use *your* individual loan information from NSLDS to give you estimated payments on each plan.
    - If you plan to borrow additional loans, you can add loans to the list to see how that would change your payment amounts.



# STUDENTLOANS.GOV ESTIMATOR

## Repayment Plans








You have a choice of repayment plans. The chart below provides details about repayment plans and calculates your estimated repayment information under each of the different plans. Your loan servicer will determine your eligibility for the repayment plans.

[More Information](#) 

### Did you know...



Federal Family Education Loans (FFEL) consolidated with Direct Loans become eligible for Pay As You Earn and ICR. Loan consolidation information is available at [StudentAid.gov](http://StudentAid.gov).

Repayment Plan	Repayment Period	Monthly Payment Initial to Final Amounts	Projected Loan Forgive-ness ③	Total Interest Paid ③	Total Amount Paid
<a href="#">Standard</a> ③	120 months	\$2,378 to \$2,378 	-	\$85,417	\$285,417
<a href="#">Graduated</a> ③	120 months	\$1,383 to \$4,149 	-	\$109,605	\$309,605
<a href="#">Extended Fixed</a> ③	300 months	\$1,484 to \$1,484 	-	\$245,055	\$445,055
<a href="#">Extended Graduated</a> ③	300 months	\$1,257 to \$2,032 	-	\$279,835	\$479,835
<a href="#">Pay As You Earn*</a> ③	240 months	\$273 to \$787 	\$384,121	\$117,579	\$117,579
<a href="#">Income-Based Repayment (IBR)*</a> ③	300 months	\$410 to \$1,546 	\$317,230	\$259,895	\$259,895
<a href="#">Income-Contingent Repayment (ICR)*</a> ③	300 months	\$642 to \$2,270 	\$185,549	\$375,657	\$390,108

\*Calculations assume income increases of 5% a year, and poverty guideline increases of 3.3% a year. Some of your loans might not be eligible for this repayment plan, check the repayment plan eligibility information in Your Loan(s) or ask your servicer for more information.

Contact your loan servicer to request your preferred repayment plan. To apply for income-driven repayment plans, [click here](#).

# REPAYMENT – THINGS TO CONSIDER

- How much can you **afford**?
- Do you want the **lowest payment** or to **repay your debt as quickly as possible**?
  - The longer you repay your loans, the more you usually pay in interest
- Do you want to submit income documentation annually or would you rather have a fixed amount due over the time you are repaying?
- You can always make additional payments beyond the amount that you owe
- You can **switch repayment plans** after your initial selection.
- If you are repaying on an **Income Driven Repayment** plan, and don't anticipate being able to pay off the total loan amount during the repayment term, **SAVE** for the taxes you may owe.
- Do you work/plan to work in the **public service sector**?

# PUBLIC SERVICE LOAN FORGIVENESS

- Designed to assist borrowers who want to work in, typically lower-paying, public service positions by offering loan forgiveness after 10 years of service.
  - Pairs very well with the **Income Based, Pay As You Earn** and **Revised Pay As You Earn** Repayment Plans

## *Who Qualifies?*

- Individuals working full-time in public service, and repaying their **eligible loans under specific repayment plans** can qualify to have their remaining debt (interest and principal) forgiven **after 120 payments (10 years)**.

*What does that mean...?*

# QUALIFYING FOR PUBLIC SERVICE LOAN FORGIVENESS

## ■ Working full-time

- Employers definition or 30 hours (whichever is more)

## ■ In public service

- Government & and 501(c)(3); *can't be contract employee*

## ■ Repaying eligible loans

- Direct Stafford (sub & unsub), Direct Grad PLUS, Direct Consolidation

## ■ Under specific repayment plans

- Income Based Repayment, Pay as You Earn, Income Contingent Repayment, Standard 10-Year Repayment

## ■ After 120 payments

- No partial cancellations
- You must be able to prove that your payments qualified
- Keep good records of your employment – Employment Certification Form
  - An employment certification form is available online at [www.studentaid.gov/publicservice](http://www.studentaid.gov/publicservice)
  - Filling out the form will help you keep track of how many payments have been made that count toward the 120 required payments
  - Not required but strongly recommended; can fill out as often as 1x per year
  - When you fill out the form for the first time, your loans will be transferred to the loan servicer who handles all PSLF eligible loans – FedLoan Servicing (PHEAA).



# PERKINS LOAN CANCELLATION

- Perkins Loans have their own cancellation provisions
  - Up to 100% of the loan can be cancelled for those employed in/as:
    - Law Enforcement (including District Attorneys)
    - Public Defenders
    - Some forms of education
    - Military (service in area of hostilities)
    - Peace Corps or Americorps
    - Certain other professions (see the Cancellation form below for a full list)
  - Loans will have a certain percentage forgiven for each year of service. For full cancellation, you need to complete 5 years of service.
  - Loans are deferred (no payment is due), while you complete your eligible service.
  - You can submit Postponement/Cancellation Form to the school from which you received your Perkins Loan
    - For DU borrowers: [www.du.edu/bursar/forms.html](http://www.du.edu/bursar/forms.html)
- If you consolidate your Perkins Loan, you lose these benefits

# FEDERAL LOAN CONSOLIDATION

There are a few common reasons people consolidate federal student loans:

1. Take advantage of 10-year Federal Public Service Loan Forgiveness program or the new Pay As You Earn Repayment Plan – if your loans are not all *Direct* loans
2. Preference of having all loans in one place
3. Have federal loans with a variable interest rate (issued before July 1, 2006 and were not consolidated)
4. Have a Grad PLUS Loan that required a co-signer

Common Misconception: Consolidating will not give you a lower rate on your federal loans.

# CONSOLIDATION: HOW TO

## ■ Timeline:

- Consolidate *after* you finish school
- Consolidation takes about 6-8 weeks to be processed
  - Recommended that you consolidate by: **May** – December grads, **October** - May grads, **December** – July grads
  - Once you consolidate, your **grace period ends** – *unless* you indicate on your application that you'd like the Department to delay processing your application.

## ■ Consolidation application is available at [www.StudentLoans.gov](http://www.StudentLoans.gov)

- Login and click on “**Complete Direct Consolidation Loan App and Prom Note**”

## ■ The application will display all your federal loans and ask you which you want to consolidate.

# CONSOLIDATION, CON'T:

- The consolidation application will ask you for the following items:
  - Do you want to delay processing of your application? For how long?
  - Select your loan servicer (the company to whom you'll make payments). The 4 servicers are **Great Lakes**, **FedLoan Servicing**, **Nelnet** and **Navient** (previously **SallieMae**)
    - If you intend to pursue Public Service Loan Forgiveness, select **FedLoan Servicing**, otherwise, the choice is yours.
  - Select your repayment plan. If you select an income driven plan, you'll be asked to provide tax/income information
  - List 2 references who don't live with you
  - Review the terms and conditions and sign and submit the app and prom note
- Once the application is submitted, you'll receive a confirmation in the mail.
  - This is your opportunity to make any corrections to the application
  - If no corrections are needed, the consolidation processing will proceed

# PRIVATE LOANS: BAR STUDY LOANS

- Bar study loans are loans from private lenders for the purpose of paying for bar study courses and living expenses while you study for the Bar.
  - Private loan, usually with variable interest
  - NOT eligible for Income Driven Repayment Plans or loan forgiveness
  - Cannot be combined or consolidated with your federal loans
  - Credit check is required, a co-signer may be necessary
  - More info at: [www.law.du.edu/financial-aid/graduating-students-and-alumni](http://www.law.du.edu/financial-aid/graduating-students-and-alumni)
- Federal loans can only cover the cost of the bar exam itself
  - Complete budget adjustment with Financial Aid Office
    - [www.du.edu/financialaid/forms](http://www.du.edu/financialaid/forms)
    - Bar exam fee must be paid for while you are still a student and prior to submitting a budget adjustment form

# HELPFUL WEBSITES

## Student Financial Management:

- [www.law.du.edu/financial-aid](http://www.law.du.edu/financial-aid)
- [www.law.du.edu/financial-aid/graduating-students-and-alumni](http://www.law.du.edu/financial-aid/graduating-students-and-alumni)

## Budget Adjustment Form:

- [www.du.edu/financialaid/forms](http://www.du.edu/financialaid/forms)

## Income Driven Plans and Public Service Loan Forgiveness

- [www.studentaid.ed.gov/publicservice](http://www.studentaid.ed.gov/publicservice)
- [www.studentaid.ed.gov/ibr](http://www.studentaid.ed.gov/ibr)
- [www.studentaid.ed.gov/payasyouearn](http://www.studentaid.ed.gov/payasyouearn)

## Federal Perkins Loan Cancellation/Deferment (DU)

- [www.du.edu/bursar/forms.html](http://www.du.edu/bursar/forms.html)

## Loan Repayment Calculators:

- [www.StudentLoans.gov](http://www.StudentLoans.gov)
- [www.finaid.org/calculators](http://www.finaid.org/calculators)

## Loan Consolidation:

- [www.StudentLoans.gov](http://www.StudentLoans.gov)

## Federal Student Loan History:

- [www.StudentLoans.gov](http://www.StudentLoans.gov)
- [www.nslds.ed.gov](http://www.nslds.ed.gov)

## Other Websites:

- [www.askheatherjarvis.com](http://www.askheatherjarvis.com)
- [www.equaljusticeworks.com](http://www.equaljusticeworks.com)

# QUESTIONS?

## Contact Information:

- **Email:** [FinancialManagement@law.du.edu](mailto:FinancialManagement@law.du.edu)
- **Phone:** 303.871.6557
- **Web:** [www.law.du.edu/financial-aid](http://www.law.du.edu/financial-aid)
- **Location:** Ricketson Law Building, Suite 115
- **Hours:** Monday – Friday, 8:15am – 4:30pm

## Appointment Scheduling:

- Go to the “*Law Student*” tab in [PioneerWeb](#)
- Look under the “*Calendars and Announcements*” section
- Click on “*Schedule an Appointment with Law School Financial Management*”