



**CONGRATULATIONS!**

Exit Loan Counseling

Presented by  
Office of Financial Aid  
2018/2019 Academic Year

# Agenda



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# Topics



# I

## **Mandatory Requirement**



# Mandatory Requirement

## Department of Education Loans (Title IV)

☐ Complete the mandatory [Exit Counseling](#) online

- An email will be sent to you with instructions on how and when to do this requirement.

### Types of loans

- ✓ Direct Unsubsidized
- ✓ Graduate PLUS

## Alternative Loans

☐ Contact each private lender

☐ Review your [credit report](#) if you are unsure who the lender is



# Mandatory Requirement

## Health Professional Student Loans Title VII

- ☐ Review your account on [Heartland CSI](#)
- ☐ Review [finaid.org](#) for estimated repayment amounts (this is a generic loan calculator so you will need to enter your personal loan history)

## Types of loans

- ✓ Primary Care Loan (PCL)
- ✓ Loan for Disadvantage Student (LDS)
- ✓ Health Professions Student Loan (HPSL)
- ✓ Nursing Loan Programs (NSL)



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## **Total Debt**

### **what – who - when**



# Total Debt: What-Who-When

## STEPS for Department of Education Loans Title IV Only:

- 1) Login to the [National Student Loan Data System \(NSLDS\)](#)
- 2) Left side of the screen, select “Financial Aid Review”
- 3) Then select “accept”
- 4) Login to the site using your FAFSA login information
  - Once you get into the site a list of your loans will be shown.
  - Click on the number (1,2,3, etc.) and scroll down to view your [loan servicer\(s\)](#) information.
- 5) [Six month Grace Period](#) is a set period of time before you must begin repayment on your loan.





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## **Rights and Responsibilities**





# Your Rights

## RECEIVE THE FOLLOWING:

- Copy of your signed Master Promissory Note
- Disclosure Statement
- Six-month grace period
- Prepay all or part of your loan without penalty
- If eligible, deferments & forbearance
- Written notice if your loan is transferred
- Proof of discharge after repaying loan in full



# Your Responsibilities

## DO THE FOLLOWING:

- Choose a plan during grace period
- Repay your loan(s)
- Make on-time monthly payments
- Protect your FICO score
- Read correspondence from loan servicer
- Notify loan servicer of changes within 10 days
- Contact your [loan servicer](#) for help



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# Loan Repayment



# Loan Repayment Plans

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## Standard Repayment

- Shortest time and pay the least amount of *interest* over the life of your loan. Payments are fixed.

## Graduated Repayment

- Payments begin low then increases...

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## Extended Repayment

- Lower monthly payments over a longer period of time.
- You will pay more over time than under the 10-year Standard Plan.



## Income Driven Repayment Plans

- Designed to make your student loan debt more manageable by reducing your monthly payment amount.



# Estimate Your Payments

## Federal Student Aid Loan Calculator

1. **Login**: Use your FSA ID Username or Email Address and FSA ID Password
  - Once you login to the site you will see your total federal loans.

FederalStudentAid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

StudentLoans.gov

Log In | Español

MENU

REPAYMENT ESTIMATOR

Repayment Plans

Estimate Your Payments

Next Steps

You're currently not logged in!

You must log in to complete and submit federal student loan processes.

LOG IN



# Example

## Borrower:

- Single
- No dependents
- Salary of \$85,000.00
- Lives in California
- Avg. debt of \$227,000.00
- At 7.0% interest rate





# 10 and 25 Year Plans

<b>Repayment Plan</b>	<b>Number of Months</b>	<b>Estimated First Monthly Payment</b>	<b>Estimated Total Amount Paid</b>
Standard	120	\$2,636.00	\$316,279.00
Graduated	120	\$1,524.00	\$341,074.00
Extended Fixed	300	\$1,604.00	\$481,317.00
Extended Graduated	300	\$1,324.00	\$520,720.00



# Income Driven Repayment Plans

<b>Repayment Plan</b> (Programs have loan forgiveness)	<b>Number of Months</b>	<b>Estimated First Monthly Payment</b>	<b>Estimated Total Amount Paid</b>
Revised Pay As You Earn (REPAYE)	300	\$557.00	\$344,389.00
Pay As You Earn (PAYE)	240	\$557.00	\$235,090.00
Income-Based Repayment (IBR)	300	\$835.00	\$508,003.00
IBR for New Borrowers	240	\$557.00	\$235,090.00





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## **Deferment and Forbearance**



**Deferment:** A period where repayment of the principal and interest of loan is delayed.

**Forbearance:** maybe granted if:

- You are unable to make scheduled payments
- Do not qualify for deferment
- Allow either reduce monthly payment or stop for up to 12 months
- Interest continues to accrue on all loans



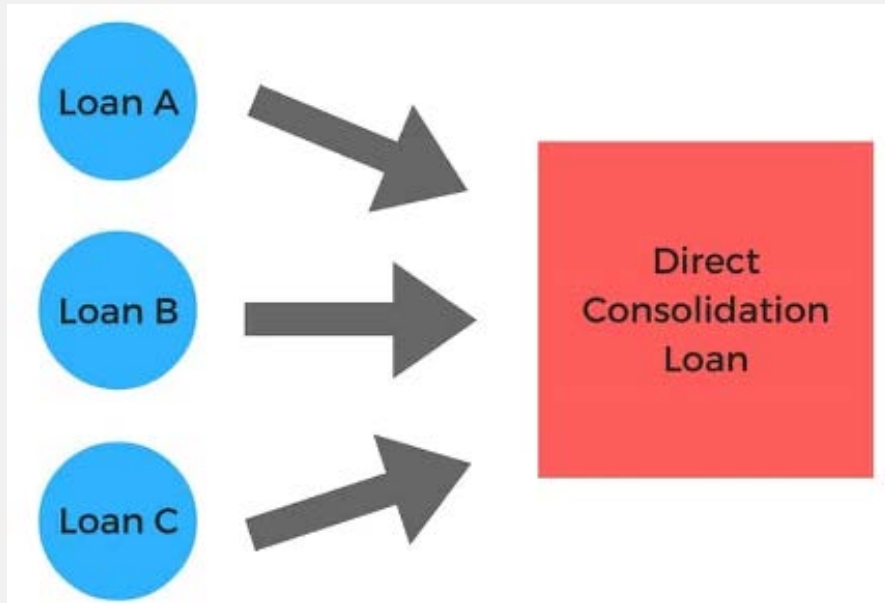
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## **Loan Consolidation**



# Loan Consolidation

Direct Consolidation combines multiple federal loans into one



- New rate is based on weighted average
- Loss of grace period
- No cost to consolidate



# Loan Consolidation

## Eligible Loans

- Federal Family Education Loan (FFELP)
- William D. Ford Direct Loan (DL)
- Perkins
- Health Professions Student Loan (HPSL)
- Loans for Disadvantaged Students (LDS)
- Nursing Student Loans (NSL)



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# Loan Cancellation



# Loan Cancellation

## Eligible Reasons

- Borrower's total and permanent disability, or death
- Closed school
- False loan certification (identity theft)
- School failed to return loan funds to servicer
- Contact your [loan servicer\(s\)](#) to apply





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# Delinquency & Default





# Delinquency & Default

- Payments received one day late is considered delinquent
- Delinquent payments are reported to credit bureaus
- School failed to return loan funds to servicer
- Contact [loan servicer\(s\)](#) for help



# Consequences of Default

- Full amount of loan is due
- Deferment and forbearance options eliminated
- Loss of eligibility for future financial aid
- Professional licenses revoked
- Loss of eligibility for some federal or state jobs
- Wage garnishment
- Tax refunds revoked



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## Resources



# Free Resources

- [Department of ED – Loan Servicers](#)
- [Federal Student Aid](#)
- [Financing a Healthy Future](#)
- [Federal Student Loans](#)
- [Student Loan Borrower Assistance](#)



# Public Service Loan Forgiveness

## What is Public Service Loan Forgiveness (PSLF)?

The Public Service Loan Forgiveness (PSLF) Program forgives the remaining balance on your [Direct Loans](#) after you have made 120 (10 years) [qualifying payments](#) under a qualifying repayment plan while working [full-time](#) for a qualifying employer. However, your loan will only be forgiven if you meet all PSLF Program eligibility conditions.

## [PUBLIC SERVICE LOAN FORGIVENESS \(PSLF\) HELP TOOL](#)

### What will this tool help me do?

The tool will help you understand more about the PSLF Program and what you need to do to participate and possibly have your loans forgiven and more.

Reference: [Federal Student Aid | Studentloans.gov](#)



# Paid Resources

- Financial Planning (\$200 and up)
  - [Doctors without Quarters](#)
  - [PG Presents](#)
  - [Physicians Thrive](#)
- Enhanced Loan Counseling (\$50 & up)
  - [GreenPath Financial Wellness](#)
  - [Clearpoint](#)

# Summary of Things To Do:



1. Federal loan borrowers
  - Complete the mandatory [Exit Counseling](#) online.
  - Review your total debt at [NSLDS](#)
  - Create a free account on your [loan servicer's](#) website as soon as possible
  - Choose a [loan repayment plan](#) - contact your [loan servicer](#)
2. Alternative loan borrowers
  - Contact each private lender
  - Review your [credit report](#) if you are unsure who the lender is
3. [Health Professional loan](#) borrowers
  - Review your account at [Heartland ECSI](#)
4. Review [Financial Literacy](#)
5. Review “[Repaying Your Student Loans](#)”
6. Review free and paid resources



# Thank You for Listening!

- ❑ Sign and submit the **REQUIRED** Exit Loan Confirmation Form.
  - This form will be sent to you via email.
- ❑ Additional Questions?
  - Email - [finaid@westernu.edu](mailto:finaid@westernu.edu)