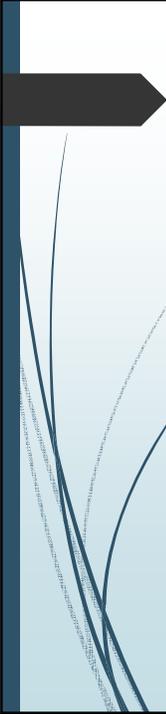




The Basics of Student Loan Repayment

What you need to know to avoid issues with repayment.



Items for Discussion

- ▶ What to do right now.
 - ▶ Gather information.
 - ▶ Setup your online account.
- ▶ What to expect.
 - ▶ Exit Counseling requirement
 - ▶ Grace Period
 - ▶ Entering Repayment
- ▶ Understanding your repayment options.
- ▶ Understanding loan forgiveness eligibility.
- ▶ Consolidation
- ▶ Worst case scenario

What to do now – Gather info

- ▶ Review your loan history on the National Student Loan Database System (NSLDS) at NSLDS.ed.gov .
 - ▶ They list all of your federal loan borrowing history.
 - ▶ Parent loans are repaid by parents and are listed under the parent name.
- ▶ Review your Account Summary in UCanWeb.
 - ▶ Non-federal loans will be listed there.
 - ▶ If you attended another college, then you must check with them on private loan history.
- ▶ Compare the information for accuracy.
- ▶ Record your loan history on the Student Loan Worksheet.
 - ▶ Total amounts of your loan debt.
 - ▶ Interest rate on each loan. See studentaid.gov/interest for a full list.
 - ▶ Contact information for your loan servicers.

What to do now – Get online

- ▶ Complete your Exit Counseling requirement at studentloans.gov
 - ▶ Information is imported from the NSLDS website to confirm loan history.
 - ▶ Calculator shows your monthly payment amount for each repayment plan.
 - ▶ This will not include Federal Perkins Loans.
 - ▶ Create a budget.
 - ▶ Choose your repayment plan.
- ▶ Set up your online accounts.
 - ▶ Go to the website for each loan servicer and create your account.
 - ▶ They will provide you with your due date.
 - ▶ Signing up for auto debit will give you a discount on your interest rate.



What to expect

- ▶ We will send you a reminder to complete your Exit Counseling.
 - ▶ SUNY will send you a separate exit packet for the Perkins Loan.
- ▶ Your grace period is 6 months for Federal Direct Loans.
 - ▶ Subsidized Loans have no interest while in school.
 - ▶ Unsubsidized Loans have interest accruing while in school.
 - ▶ Parent Loans are repaid by a parent.
- ▶ Your grace period is 9 months for Federal Perkins Loans.
 - ▶ Perkins Loans are interest free while in school.
 - ▶ These will be repaid to the SUNY Student Loan Service Center.



Entering Repayment

- ▶ Your loan servicer will provide you with a due date.
 - ▶ About 3 months notice.
 - ▶ Determines the number, amount, and frequency of each payment.
- ▶ Reasons to change your repayment plan type.
 - ▶ Changes in employment status.
 - ▶ Changes in income.
 - ▶ Changes in expenses.
- ▶ Benefits of signing up for auto debit.
 - ▶ Interest rate reduction.
 - ▶ Eliminate the risk of a late payment.

Understanding your repayment options

- ▶ Standard Repayment Plan
 - ▶ 10 years or less
 - ▶ Fixed monthly payment amount
 - ▶ Minimum \$50 per month
- ▶ Graduated Repayment Plan
 - ▶ 10 years or less
 - ▶ Payments start low and increase over time
- ▶ Extended Repayment Plan
 - ▶ 25 years or less
 - ▶ Option of fixed or graduated payments

Income Driven Repayment Plans

- ▶ Pay As You Earn (PAYE) and Revised Pay As You Earn (REPAYE)
 - ▶ 20 years maximum
 - ▶ Remaining balance forgiven after 20 years (taxable)
 - ▶ Payment amount is percentage of discretionary income
- ▶ Income Based Repayment (IBR)
 - ▶ 25 years maximum
 - ▶ Remaining balance forgiven after 25 years (taxable)
 - ▶ Payment amount 15% of discretionary income
 - ▶ *For new borrowers after 7/1/2014 the payment amount is 10% of discretionary income for 20 years or less. After 20 years remaining balance is forgiven (taxable).*



Income Driven Repayment Plans

- ▶ Income Contingent Repayment (ICR)
 - ▶ 25 years maximum
 - ▶ Payment is 20% of your discretionary income
 - ▶ Remaining balance forgiven after 25 years (taxable)

- ▶ Calculator available online for each program in addition to exit counseling.
- ▶ Interest paid on federal student loans can be claimed on your taxes.



Understanding Repayment Terms

- ▶ Discretionary Income
 - ▶ The difference between your total income and 150% of the poverty guideline for your family size and state of residence.
 - ▶ Spouse income may be included.
- ▶ Remaining balance forgiven
 - ▶ After you complete the final payment based on the maximum length of your income based repayment plan type, the balance will be written off by the government.
 - ▶ You will likely have to claim the amount that is forgiven as taxable income.

Amount of Loan Debt	Standard Repayment Plan		Graduated Repayment Plan	
	Payment Amount	Total Paid	Minimum Payment	Maximum Payment
\$10,000	\$123	\$14,718	\$72	\$216
\$20,000	\$245	\$29,437	\$144	\$431
\$30,000	\$368	\$44,155	\$216	\$647
\$40,000	\$491	\$58,873	\$287	\$862
\$50,000	\$613	\$73,592	\$359	\$1,078

The Standard Repayment Plan is the Most Popular. More than 50% of students select this plan.

The Extended Repayment Plan is only available to students with more than \$40,000 in loan debt.

Amount of Loan Debt	Extended Fixed Repayment Amount		Extended Repayment Graduated		Plan
	Payment Amount	Total Paid	Minimum Payment	Maximum Payment	Total Paid
\$40,000	\$315	\$94,614	\$275	\$417	\$101,515
\$50,000	\$394	\$118,268	\$344	\$521	\$126,899

IBR for borrowers who are not new borrowers after 7/1/2014.

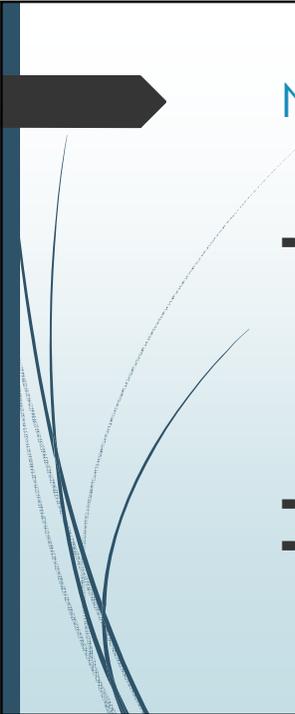
Amount of Loan Debt	Starting Income: \$25,000				Starting Income: \$40,000			
	Initial Payment	Final Payment	Total Paid	Time to Repay	Initial Payment	Final Payment	Total Paid	Time to Repay
\$20,000	\$97	\$245	\$43,861	219 Months	Not Eligible			
\$40,000	\$97	\$491	\$89,628	300 Months	\$285	\$491	\$72,680	173 Months

PAYE and IBR for new borrowers after 7/1/2014.

Amount of Loan Debt	Starting Income: \$25,000				Starting Income: \$40,000			
	Initial Payment	Final Payment	Total Paid	Time to Repay	Initial Payment	Final Payment	Total Paid	Time to Repay
\$20,000	\$65	\$245	\$38,488	240 Months	\$190	\$245	\$31,254	134 Months
\$40,000	\$65	\$309	\$40,127	240 Months	\$190	\$491	\$85,707	240 Months

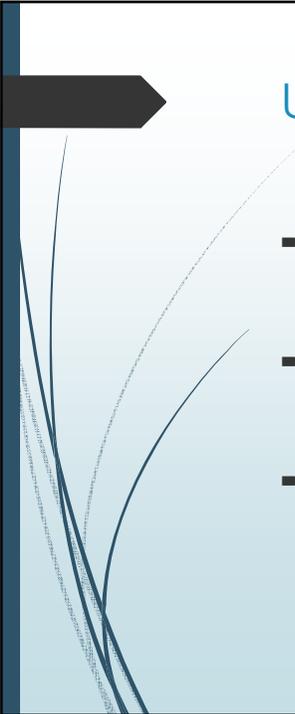
ICR Plan

Amount of Loan Debt	Starting Income: \$25,000				Starting Income: \$40,000			
	Initial Payment	Final Payment	Total Paid	Time to Repay	Initial Payment	Final Payment	Total Paid	Time to Repay
\$20,000	\$151	\$199	\$43,436	249 Months	\$193	\$219	\$33,513	161 Months
\$40,000	\$225	\$423	\$96,630	274 Months	\$385	\$438	\$67,027	161 Months



Not ready to start paying?

- ▶ Ways to postpone repayment
 - ▶ Deferment suspends payments for a period of time.
 - ▶ Most common reason is if you are going back to school.
 - ▶ Interest may stop accruing on the loan.
 - ▶ Forbearance suspends payments for a period of time.
 - ▶ Variety of reasons to use this including unemployment.
 - ▶ Interest continues to accrue on the loan.
- ▶ Contact your loan servicer to explain your current financial situation.
- ▶ Don't just not pay the loan. It is the loan servicer's job to help and work with you throughout the repayment of your loan.



Understanding Loan Forgiveness

- ▶ Teacher Loan Forgiveness
 - ▶ Teach for 5 years in a qualifying area.
 - ▶ Up to \$17,500 can be forgiven.
- ▶ Public Service Loan Forgiveness
 - ▶ Be in a public service qualifying job while making 120 payments.
 - ▶ Remaining balance will be forgiven (not taxable).
- ▶ New York State Get On Your Feet Loan Forgiveness
 - ▶ Requirements include stay in NYS for 5 years.
 - ▶ They will make your loan payment for the first two years, you'll pay \$0.



Loan Cancellation

- ▶ Total and Permanent Disability Discharge
 - ▶ Meet the criteria and qualify with a permanent disability.
 - ▶ Full amount of loan balance is discharged.
- ▶ Perkins Loan Cancellation and Discharge (includes Teacher Cancellation)
 - ▶ For each year of service in a qualifying area a percentage of the loan may be cancelled.
- ▶ It is extremely rare to have a loan discharged in bankruptcy.
- ▶ For more details on loan forgiveness and cancellation programs, go to studentaid.gov/forgiveness
- ▶ Check with your employer to see if they have any programs.



Loan Consolidation

- ▶ What is it?
 - ▶ Combines all of your student loans into one loan (Direct and Perkins).
 - ▶ Adjusts your interest rates to one fixed interest rate.
- ▶ Who is eligible?
 - ▶ Any student with multiple loans.
- ▶ How to apply?
 - ▶ Studentloans.gov
 - ▶ Wait to apply until the end of your grace period.
- ▶ Private Consolidation Companies
 - ▶ Lose the benefits associated with your federal loans.
 - ▶ Gives you the option to consolidated private loans with federal loans.

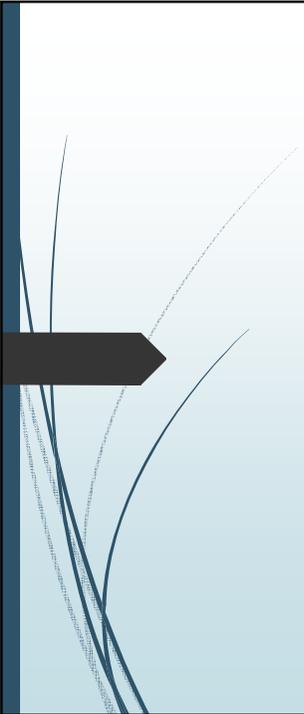
Worst Case Scenario



- SUNY Canton has hired a company named Inceptia.
 - Inceptia will contact you if you get 60 days or more behind in your repayment.
 - Inceptia's job is to help you get back on track.
 - They are not debt collectors.
- Loan Default
 - If you don't repay your loan for 270 days or more you will be in default.
 - Upon default the full balance is due immediately.
 - Legal fees including court costs will be added to your debt.
 - Income Tax Refunds will be taken to pay it.
 - Employers will be notified and have to turn over a percentage of your paycheck to pay it.

Other Resources

- StudentAid.gov Basic Information on Federal Student Aid
- StudentLoans.gov Exit Counseling & Loan Documentation
- NSLDS.ed.gov National Student Loan Database System (NSLDS)
- SLSC.albany.edu SUNY Student Loan Service Center (SLSC)
- Hesc.ny.gov New York State Aid Program Information



Any Questions?



Thank you for attending!

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