RESPONSIBLE EDUCATION FUNDING AND REPAYMENT STRATEGIES

PROMOTING HEALTHY CREDIT AWARENESS

Presenter: Kristin Hawley-Johnson
Date: May 2016
What We Will Cover

• Money Management

• Credit Management

• Relative Cost of a Student Loan

• Managing Your Student Loans

• Loan Repayment Tools
MONEY MANAGEMENT: EVERYDAY STEPS
Make a Spending Plan

Where does my money go?

- Create a spending plan
- Set priorities
- Practice good spending habits:
  - Look for sales
  - Use coupons
  - Buy store brands
  - Price compare
  - Don’t use credit cards for things you can’t afford
Saving for Today & Tomorrow

Saving allows you to achieve your financial goals and provides a safety net during challenging times

- Set specific savings goals
  - Emergency fund (Today)
  - Short term: cell phone (Today)
  - Long term: down payment on a house (Tomorrow)
- Budget monthly savings into your spending plan
- Explore options based on goals:
  - Saving Accounts
  - Certificate of Deposit (CD)
  - Money Market Deposit Account
  - Money Market Mutual Funds
  - U.S. Treasury Bills
CREDIT MANAGEMENT
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.
Good Credit vs. Poor Credit – What Can it Mean?

**GOOD CREDIT**
- Lower interest rates
- Could save hundreds, if not thousands, of dollars in interest costs
- Allows you to be more selective when choosing a lender
- Can mean preferred rate on car insurance

**BAD CREDIT**
- Higher interest rates
- Can result in loan applications being rejected
- Can get denied for basic services
- Can mean high cost premium on car insurance
National Credit Bureau Agencies

EQUIFAX: **Phone:** 800-685-1111  
**Website:** [www.Equifax.com](http://www.Equifax.com)

Experian: **Phone:** 888-397-3742  
**Website:** [www.Experian.com](http://www.Experian.com)

TransUnion: **Phone:** 800-916-8800  
**Website:** [www.TransUnion.com](http://www.TransUnion.com)
Know What You Owe

Put together a snapshot of what you owe

Student loans $ __________

Other loans:
• Credit card balance(s) +$ __________
• Automobile loan +$ __________
• Mortgage loan or rent +$ __________

Other money owed:
• Utilities, cable, internet +$ __________
• Phone +$ __________

TOTAL $ __________
Don’t Borrow More than You Need

Calculate your debt-to-income ratio:

Minimum debt payments
(including mortgage or rent)

Monthly gross income

Example: You earn $5,000 each month in gross income, and a yearly bonus nets you $500 a month. Your total monthly income is $5,500.
You pay $200 a month in student loans, $500 in rent, $150 on a car payment, and $150 on your credit card and other expenses. Your total monthly debt payments are $1,000.
$1,000 (debt) divided by $5,500 (income) = a ratio of 18.2%

How much is too much?

• 36% or less – Excellent
• 37% to 42% - Acceptable
• 43% to 49% - Overextended
• 50% or higher – Danger!

Source: This information was gathered 3/2016 from http://www.foxbusiness.com/personal-finance/2012/07/30/how-to-tell-if-have-too-much-debt/
Most Common Mistakes to Avoid With Credit Cards

- Overspending
- Spending just to earn more rewards
- Making only minimum payments
- Not paying your bill on time
- Using convenience checks or other cash advance features
Bankruptcy: It’s Not an Easy Out

Bankruptcy is filed by people who are unable to pay their debts

- Bankruptcy allows the court to discharge your debt
- Bankruptcy filings may stay on your credit report for up to 7 years
- Student loans may not be eligible for a discharge via bankruptcy
- Should only be used as an absolute last resort
RELATIVE COSTS OF A STUDENT LOAN
Relative Costs of a Student Loan

- **Interest Rate**
  - The rate charged to borrow money
  - The higher the interest rate, the higher the total loan cost

- **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
Understanding Fixed and Variable Interest Rates

- **Fixed Interest Rates**
  - Interest rate is determined at time of loan approval and stays the same for the life of the loan.
  - The interest rate is based on credit worthiness as well as the market rates.

- **Variable Interest Rates**
  - Interest rate is determined at time of loan approval and may change due to an increase or decrease to the loan's index.
  - The interest rate is based on two components: a market index that is publicly available plus a credit-based margin (determined by lender).

**Starting rate on a variable rate loan is usually lower than the rate on a fixed rate loan.**
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**
- Direct Subsidized 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**
- Direct Unsubsidized 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 available for graduate students.

Note: Consolidated Appropriations Act (Public Law 112-74) temporarily eliminated the interest subsidy during the 6-month grace period on subsidized Stafford loans made from July 1, 2012 through June 30, 2014. The subsidy resumed for loans made on or after July 1, 2014.

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
### Loan Interest Rates

<table>
<thead>
<tr>
<th>Loan type</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Subsidized Loans</strong></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>*<em>Direct Unsubsidized Loans</em></td>
<td>Pre AY 13-14: 6.8%</td>
<td>Pre AY 13-14: 6.8%</td>
</tr>
<tr>
<td></td>
<td>AY 13-14: 3.86%</td>
<td>AY 13-14: 5.41%</td>
</tr>
<tr>
<td></td>
<td>AY 14-15: 4.66%</td>
<td>AY 14-15: 6.21%</td>
</tr>
<tr>
<td></td>
<td>AY 15-16: 4.29%</td>
<td>AY 15-16: 5.84%</td>
</tr>
<tr>
<td>*<em>Graduate PLUS Loans</em></td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>Consolidation Loan</strong></td>
<td>Fixed rate based on weighted-average interest rate of underlying loans rounded up to nearest one-eighth of a percent (capped at 8.25%)</td>
<td></td>
</tr>
<tr>
<td><strong>Private Loans</strong></td>
<td>Many lenders offer both variable and fixed rate options. Interest rates range from 2.25% – 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%

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
Impact of Interest Capitalization

- Interest Capitalization occurs when unpaid interest is added to the principal amount of a loan

Examples:

- On a $50,000 loan, interest capitalized at the end of a 12 month deferment would be $2,180 with an interest rate of 4.29% with a loan term of 10 years. This will increase the total loan cost by $539 over the life of the loan

- On a $100,000, the interest capitalized at the end of a 12 month deferment would be $4,360 with an interest rate of 4.29% with a loan term of 10 years. This will increase the total loan cost by $1,079 over the life of the loan

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
MANAGING YOUR STUDENT LOANS
Important Things to Know

- Understand your student loan portfolio
  - Know what types of loans you have
  - Know your lenders and servicers
  - Know how much you owe
  - Know what your interest rate is
  - Know what your total monthly payments will be
  - Know what borrower benefits are available

- Understand interest capitalization and its impact
- Know grace, deferment and forbearance options
- Know federal loan repayment plan options
- Avoid delinquency and default
- Keep good records
- Know your resources
Identify Your Servicers

- Federal and/or private loans may not all be with one servicer

- Buying and Selling of Students Loans:
  - Original lender may have sold a student’s loan
  - This means a student has a new loan “holder” and/or “servicer” For example, a FFELP loan may have been sold to the Department of Education (ED) who now holds the loan and is having it serviced by one of its federal loan servicers such as:
    - Great Lakes
    - Navient
    - Nelnet
    - FedLoan Servicing (PHEAA)

  - Borrowers must be notified if the service provider of loan changes
  - The terms of a federal loan, as specified in the promissory note, will not change if sold or transferred to another servicer
Finding Your Federal and Private Student Loans

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

Private Student Loans
(reporting to the consumer reporting agencies)
www.annualcreditreport.com
Paying Loans Off Early

- Borrowers can 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 may save more money over time.

- Unless otherwise noted in your loan’s promissory note, loan payments typically are applied first toward late fees, then interest, and finally principal
Delinquency & Default (Federal/Private Loans)

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

- Delinquency
  - Failure to make payment(s) on time. Missing even one payment can make a loan delinquent.
  - Reported to credit bureaus; affects borrowers history

- Default
  - Failure to repay a loan
  - 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 may not be discharged in bankruptcy
Resources

- School Financial Aid
- Lender/servicer
- Federal Student Aid Ombudsman
  - U.S. Department of Education – FSA Ombudsman
  - [http://www.ombudsman.ed.gov](http://www.ombudsman.ed.gov) or 1-877-557-2575
- Federal Loan Servicers:
  - Great Lakes: 800-236-4300 [www.mygreatlakes.org](http://www.mygreatlakes.org)
  - Navient: 800-722-1300 [www.navient.com](http://www.navient.com)
  - Nelnet: 888-486-4722 [www.nelnet.com](http://www.nelnet.com)
UNDERSTANDING LOAN REPAYMENT
Understanding Grace Periods

Grace Period - period of time after a borrower graduates, leaves school or fails to meet enrollment requirements

- 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
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 the loan’s principal amount) 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

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
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 (added to the loan’s principal amount) 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!

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
# 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>
| Standard Repayment Plan| • Direct Subsidized and Unsubsidized Loans  
• Subsidized and Unsubsidized Federal Stafford Loans  
• All PLUS loans  
• All Consolidation Loans (Direct of FFEL) | • Payments are a fixed amount of at least $50 per month.  
• Up to 10 years (up to 30 years for consolidation loans) | All borrowers are eligible for this plan.  
You'll pay less *interest* for your loan over time under this plan than you would under other plans. |
| Graduated Repayment Plan| • Direct Subsidized and Unsubsidized Loans  
• Subsidized and Unsubsidized Federal Stafford Loans  
• All PLUS loans  
• All Consolidation Loans (Direct of FFEL) | • Payments are lower at first and then increase, usually every two years.  
• Up to 10 years (up to 30 years for consolidation loans) | All borrowers are eligible for this plan.  
You'll pay more for your loan over time than under the 10-year standard plan. |

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
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<thead>
<tr>
<th>Repayment Plan</th>
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</table>
| Extended Repayment Plan     | • Direct Subsidized and Unsubsidized Loans  
• Subsidized and Unsubsidized Federal Stafford Loans  
• All PLUS loans  
• All Consolidation Loans (Direct of FFEL) | • Payments may be fixed or graduated.  
• Up to 25 years | • If you're a Direct Loan borrower, you must have more than $30,000 in outstanding Direct Loans.  
• If you're a FFEL borrower, you must have more than $30,000 in outstanding FFEL Program loans.  
• Your monthly payments will be lower than under the 10-year Standard Plan or the Graduated Repayment Plan.  
• You'll pay more over time than under the 10-year Standard Plan.  
  |

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
### Federal Loan Repayment Plans

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</thead>
<tbody>
<tr>
<td>Income Based Repayment (IBR)</td>
<td>• Direct Subsidized and Unsubsidized Loans&lt;br&gt;• Subsidized and Unsubsidized Federal Stafford Loans&lt;br&gt;• all PLUS loans made to students&lt;br&gt;• Consolidation Loans (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents</td>
<td>• Your monthly payments will be 10 or 15 percent of discretionary income.&lt;br&gt;• Payments are recalculated each year and are based on your updated income and family size.&lt;br&gt;• If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return.&lt;br&gt;• Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 or 25 years.&lt;br&gt;• You may have to pay income tax on any amount that is forgiven.</td>
<td>• You must have a high debt relative to your income.&lt;br&gt;• Your monthly payment will never be more than the 10-year Standard Plan amount.&lt;br&gt;• You'll pay more over time than under the 10-year Standard Plan.&lt;br&gt;• Good option for those seeking Public Service Loan Forgiveness (PSLF)</td>
</tr>
</tbody>
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Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
# Federal Loan Repayment Plans

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</tr>
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<tbody>
<tr>
<td>Revised Pay As You Earn Repayment Plan (REPAYE)</td>
<td>• Direct Subsidized and Unsubsidized Loans&lt;br&gt;• Direct PLUS loans made to students&lt;br&gt;• Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents</td>
<td>• Monthly payments will be 10 percent of discretionary income.&lt;br&gt;• Payments are recalculated each year and are based on your updated income and family size.&lt;br&gt;• If married, both you and your spouse’s income or loan debt will be considered, whether taxes are filed jointly or separately (with limited exceptions).&lt;br&gt;• Any outstanding balance on your loan will be forgiven if you haven’t repaid your loan in full after 20 or 25 years.</td>
<td>• Any Direct Loan borrower with an eligible loan type may choose this plan.&lt;br&gt;• Your monthly payment can be more than the 10-year Standard Plan amount.&lt;br&gt;• You may have to pay income tax on any amount that is forgiven.&lt;br&gt;• Good option for those seeking Public Service Loan Forgiveness (PSLF).</td>
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</table>
| Income Contingent Repayment Plan | • Direct Subsidized and Unsubsidized Loans  
• Direct PLUS Loans made to students  
• Direct Consolidation Loans | • Your monthly payment will be the lesser of 20 percent of discretionary income, or the amount you would pay on a repayment plan with a fixed payment over 12 years, adjusted according to your income.  
• Payments are recalculated each year and are based on your updated income, family size, and the total amount of your Direct Loans.  
• If you’re married, your spouse’s income or loan debt will be considered only if you file a joint tax return or you choose to repay your Direct Loans jointly with your spouse.  
• Any outstanding balance will be forgiven if you haven’t repaid your loan in full after 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 the amount that is forgiven.  
• Good option for those seeking Public Service Loan Forgiveness (PSLF).  
• Parent borrowers can access this plan by consolidating their Parent PLUS Loans into a Direct Consolidation Loan. |

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
# Federal Loan Repayment Plans

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<th>Monthly Payment &amp; Timeframe</th>
<th>Quick Comparison</th>
</tr>
</thead>
</table>
| Income Sensitive Repayment Plan      | • Subsidized and Unsubsidized Federal Stafford Loans  
• FFEL PLUS Loans  
• FFEL Consolidation Loans | • Your monthly payment is based on annual income.  
• Up to 15 years. | You'll pay more for your loan over time than you would under the 10-year standard plan. |

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# Federal Loan Repayment Plans

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<thead>
<tr>
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<th>Eligible Loans</th>
<th>Monthly Payment &amp; Timeframe</th>
<th>Quick Comparison</th>
</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 3/2016 from: https://studentaid.ed.gov/sa/
Federal Loan Forgiveness Program for Public Service Employees

- Eligibility limited to Federal Direct Student Loan Program (FDLP) Loans that are not in default
  - FFELP Stafford, PLUS and Consolidation are not eligible
  - Other loan programs may be eligible if they are consolidated into FDLP (FFELP, Perkins and certain health profession and nursing loans)

- 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.

- Parents who received a Direct PLUS Loan may qualify for forgiveness of the PLUS loan, if the parent borrower—not the student on whose behalf the loan was obtained—is employed by a public service organization

Other loan forgiveness programs may also be available – do your research!

Source: This information was gathered 3/2016 from: https://studentaid.ed.gov/sa/
## 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>$277</td>
<td>$277</td>
<td>$33,267</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Graduated</td>
<td>$156</td>
<td>$467</td>
<td>$34,841</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>$61</td>
<td>$340</td>
<td>$45,976</td>
<td>$0</td>
<td>264 months</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$61</td>
<td>$277</td>
<td>$38,128</td>
<td>$9,103</td>
<td>240 months</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$92</td>
<td>$277</td>
<td>$41,218</td>
<td>$0</td>
<td>208 months</td>
</tr>
<tr>
<td>IBR for New Borrowers</td>
<td>$61</td>
<td>$277</td>
<td>$38,128</td>
<td>$9,103</td>
<td>240 months</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>$162</td>
<td>$204</td>
<td>$39,446</td>
<td>$0</td>
<td>216 months</td>
</tr>
</tbody>
</table>

Assumes $27,000 in undergraduate Direct Loans ($19,000 in subsidized and $8,000 in unsubsidized loans) over a 4 year period. Assumes current interest rate of 4.29% for all loans, annual income of $25,000 and household size of 1.

Source: [https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action](https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action)
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
  - In school repayment options
  - Graduated repayment programs may be available upon graduation
- Residency and internship deferments may be available
- Forbearances may be available
  - Consult your loan servicer

TIP:
Refer to your promissory note and/or your servicer to determine your available options
Student Loan Interest Deduction

- Borrowers may be eligible to deduct student loan interest
- The student must be:
  - You, your spouse, or your dependent; and
  - Enrolled at least half-time in a program leading to a degree, certificate, or other recognized educational credential at an eligible educational institution.
- 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

<table>
<thead>
<tr>
<th></th>
<th>Full Deduction</th>
<th>Partial Deduction</th>
<th>No Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, Head of House</td>
<td>Modified Adjusted Gross Income Is $65,000</td>
<td>$60,001 to $79,999</td>
<td>$80,000 or more</td>
</tr>
<tr>
<td>hold or Qualifying Widow(er)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married Filing jointly</td>
<td>Modified Adjusted Gross Income is $130,000</td>
<td>$130,001 to $159,999</td>
<td>$160,000 or more</td>
</tr>
</tbody>
</table>

Source: https://www.irs.gov/publications/p970/ch04.html

NOTE: For more information see IRS publication 970 or consult a tax advisor
Questions?
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.

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