

Welcome To Exit Loan Counseling

Before we Being.....

- Please complete the “ Before You Leave Form” in the link in the comment section
- Three references **must** include a complete address (street, city, state and zip) and a telephone number
- Only one reference may have the same address as you, the other two must be different





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A&M UNIVERSITY
OFFICE OF STUDENT FINANCIAL AID
AND SCHOLARSHIPS

What is Exit Counseling

- Provides important information you need to prepare to repay your federal student loans
- Provides information on your student loans and repayment options available
- Must be completed if you withdraw, graduate, or drop below half-time attendance



Why Do I Need This Info

- The Federal government requires schools to conduct Exit Counseling with all students who receive specific types of federal student loans
- Helps students to understand their rights and responsibilities
- Helps students successfully meet their repayment obligations
- Shows borrowers how to avoid consequences of not paying your student loans



Online Exit Counseling

You must also complete Online Exit Counseling at www.Studentaid.gov

The screenshot shows the StudentLoans.gov website interface. At the top, it features the 'Federal Student Aid' logo (an office of the U.S. Department of Education) and 'StudentLoans.gov'. Navigation links for 'Log In' and 'Español' are present, along with a 'MENU' icon. A banner image of graduates is overlaid with a 'Log in to StudentLoans.gov with your verified FSA ID' button and a 'LOG IN' button. Below the banner, a navigation bar contains four categories: Undergraduate Students, Graduate/Professional Students, Parent Borrowers, and Repayment & Consolidation. The 'Undergraduate Students' section is expanded, showing a list of required steps for exit counseling, with 'Complete Exit Counseling' highlighted in yellow. A video thumbnail titled 'How To Create An FSA ID' is also visible.

Federal Student Aid | StudentLoans.gov

Log In | Español

MENU

Find out your student loan repayment options here >>

Log in to StudentLoans.gov with your verified FSA ID

LOG IN

Create an FSA ID

Natural Disasters

Undergraduate Students

Graduate/Professional Students

Parent Borrowers

Repayment & Consolidation

The first step in getting student aid is completing the Free Application for Federal Student Aid (FAFSA®) at www.FAFSA.gov. You must do this every year.

- Complete Entrance Counseling
- Complete Loan Agreement for a Subsidized/Unsubsidized Loan (MPN)
- Complete Financial Awareness Counseling
- **Complete Exit Counseling**
- Use the Repayment Estimator
- Complete TEACH Grant Counseling
- Complete TEACH Grant Agreement to Serve

How To Create An FSA ID



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Federal Student Loan Programs

Direct Loan (DL) Program

- Loans made by ED

Federal Family Education Loan Program (FFELP) Loans made by banks guaranteed by ED

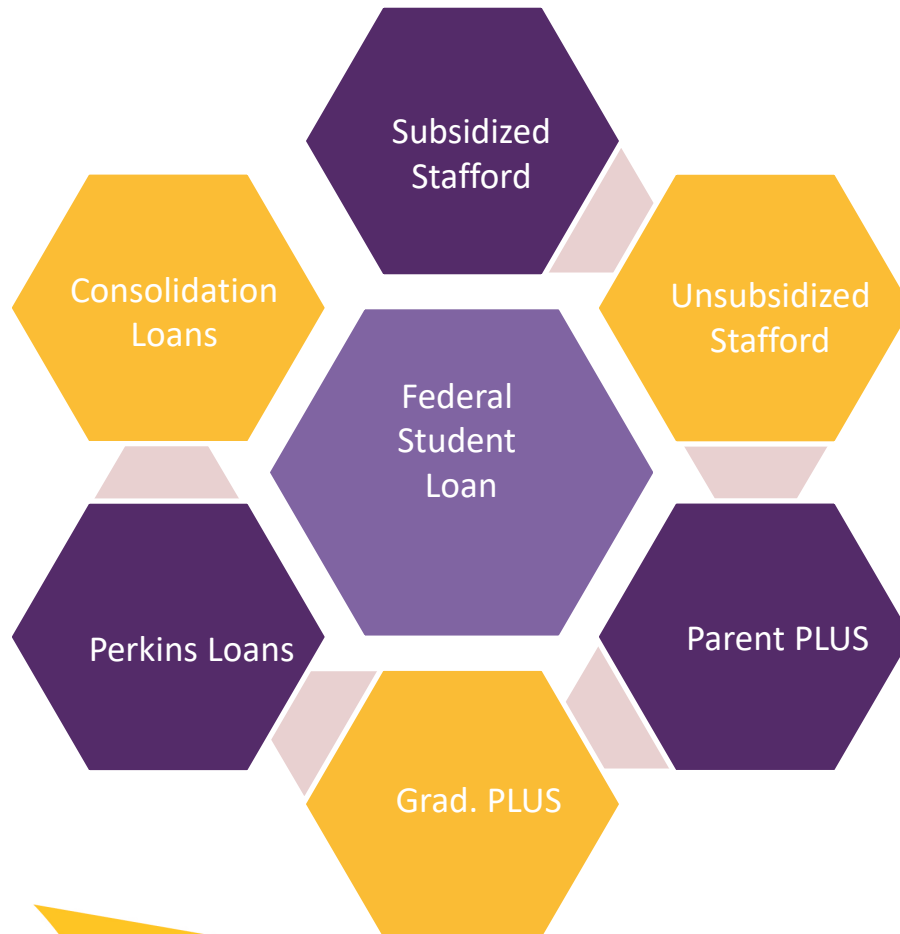
- Ended on June 30, 2010

Federal Perkins Loans Program

- Loans made by schools



Federal Student Loan Types



Subsidized Vs. Unsubsidized Loan

Subsidized

- Need-Based
- No interest is accrued while in school

Unsubsidized

- Non Need-Based
- Interest begins accruing the day the loan is disbursed.
- The interest can be paid while you are going to school or capitalized

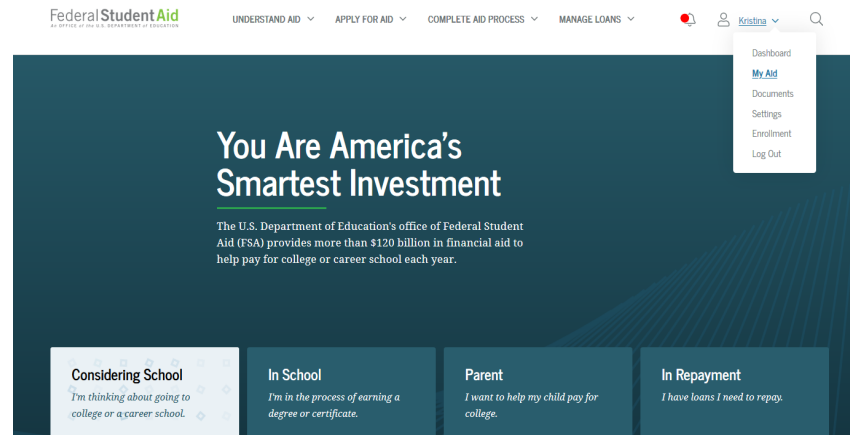


Need Information About Your Loans

1. Log into your account with your FSAID and select "My Aid" from the drop down:

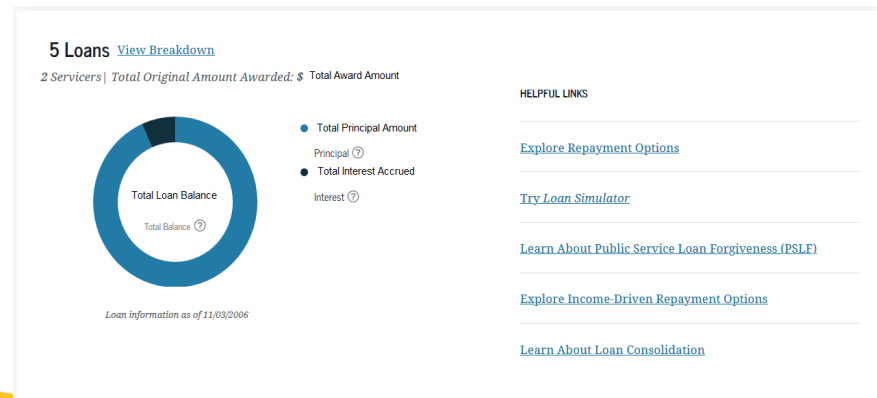
<https://studentaid.gov/>

Log into your account with your FSAID



The screenshot shows the Federal Student Aid dashboard. At the top, there is a navigation bar with the following items: "Federal Student Aid", "UNDERSTAND AID", "APPLY FOR AID", "COMPLETE AID PROCESS", "MANAGE LOANS", a notification bell, a user profile for "Kristina", and a search icon. A dropdown menu is open under the user profile, showing options: "Dashboard", "My Aid", "Documents", "Settings", "Enrollment", and "Log Out". The main content area has a dark blue header with the text "You Are America's Smartest Investment" and a sub-header "The U.S. Department of Education's office of Federal Student Aid (FSA) provides more than \$120 billion in financial aid to help pay for college or career school each year." Below this are four cards: "Considering School" (I'm thinking about going to college or a career school.), "In School" (I'm in the process of earning a degree or certificate.), "Parent" (I want to help my child pay for college.), and "In Repayment" (I have loans I need to repay.).

2. View your loan summary



The screenshot shows the loan summary page. At the top, it says "5 Loans" with a link to "View Breakdown". Below that, it says "2 Servicers | Total Original Amount Awarded: \$ Total Award Amount". A donut chart shows the "Total Loan Balance" with a legend for "Total Principal Amount" (blue) and "Total Interest Accrued" (black). The chart also shows "Principal" and "Interest" with question marks. Below the chart, it says "Loan information as of 11/03/2006". On the right side, there is a "HELPFUL LINKS" section with the following links: "Explore Repayment Options", "Try Loan Simulator", "Learn About Public Service Loan Forgiveness (PSLF)", "Explore Income-Driven Repayment Options", and "Learn About Loan Consolidation".



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Your Loan Servicer

- Collects payments on a loan
- Responds to customer service inquiries
- Performs other administrative tasks associated with maintaining a loan on behalf of a lender

If you're unsure of who your federal student loan servicer is, you can look it up your loan servicer, available at studentaid.gov.



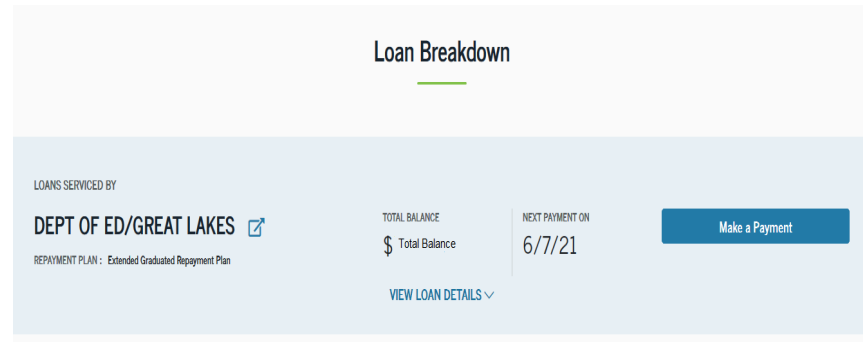
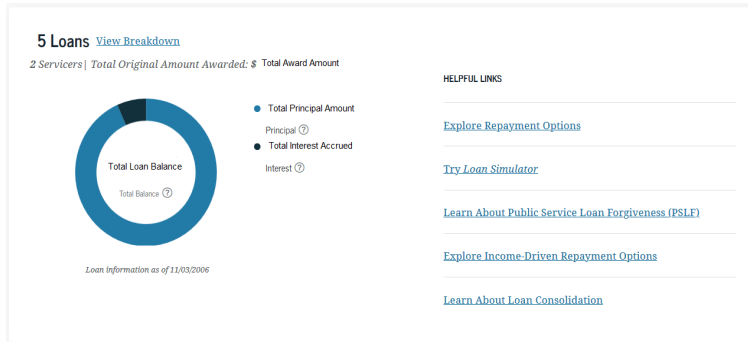
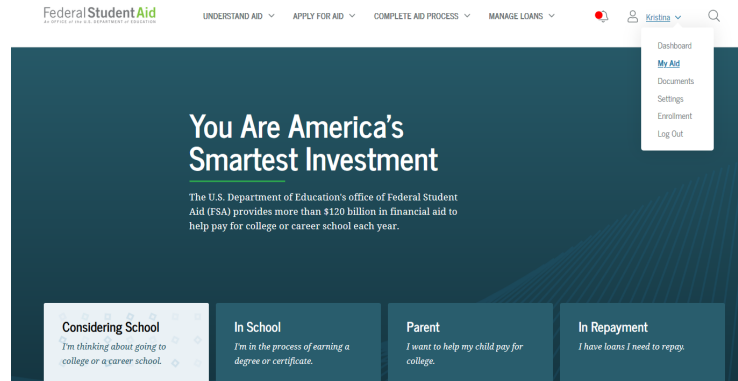
List of Loan Servicers

Loan Servicer	Contact
FedLoan Servicing (PHEAA) 	1-800-699-2908
Granite State – GSMR 	1-888-556-0022
Great Lakes Educational Loan Services, Inc. 	1-800-236-4300
HESC/Edfinancial 	1-855-337-6884
MOHELA 	1-888-866-4352
Navient 	1-800-722-1300
Nelnet 	1-888-486-4722
OSLA Servicing 	1-866-264-9762
ECSI 	1-866-313-3797
Default Resolution Group (also known as Maximus Federal Services, Inc.) 	1-800-621-3115 (TTY: 1-877-825-9923 for the deaf or hard of hearing)



Identifying Your Loan Servicer

1. Log into your account with your FSAID and select "My Aid" from the drop down:



2. View your loan summary

3. View loan servicer information



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Private Loans

Private

Credit Report

Online Accounts

Personal Records



Paying on Your Loan

- You have the option to prepay all or part of your federal student loans before your repayment begins (without penalty).
- Make payments before they are due or pay a little more each month.
- Contact loan servicer to make sure extra payment is applied to principal balance.
- Paying extra each month can reduce total cost of loan over time.



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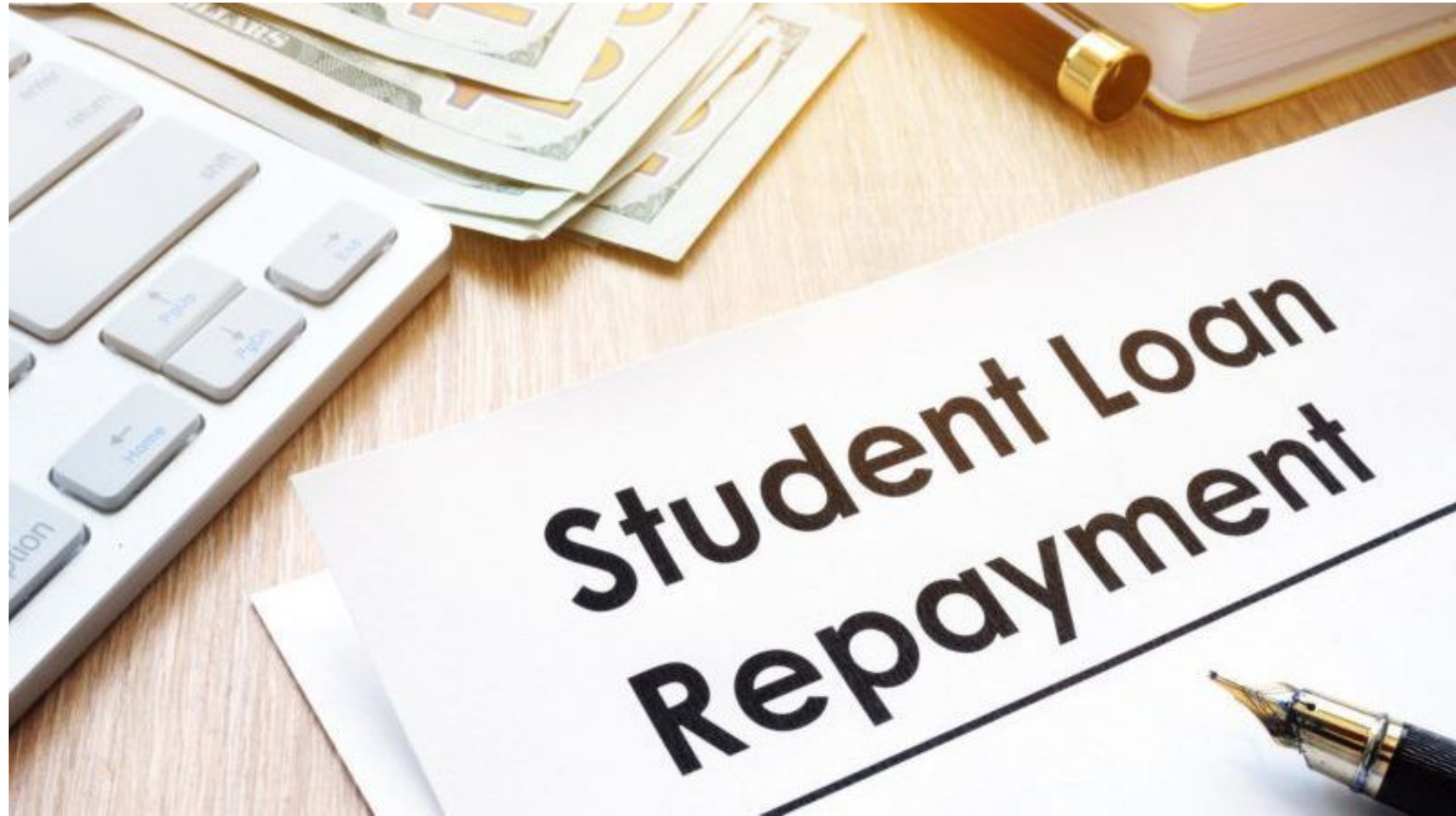
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Grace Period



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Which Repayment Plan Should I Use?



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Standard Repayment Plan

- Equal monthly payments
- Payment term of 10 years
- Minimum payment of at least \$50 per month

Loan Amount	Monthly Payment	Total Interest Paid	Total Paid ¹ (Loan + Interest)
\$10,000	\$115.00	\$3,809.64	\$13,809.64
\$40,000	\$460.32	\$15,238.63	\$55,238.63

An unsubsidized Stafford loan at 6.8% interest, with a 10-year amortized repayment plan



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Other Repayment Options

- Graduated Repayment Plan
- Extended Repayment Plan
- Income-Based Repayment Plan
- Income-Sensitive Repayment Plan
- Income Contingent Repayment Plan



Graduate Repayment Plan

- Payments start out low and will then increase every two years
- Payment term of 10 years

Loan Amount	Beginning Monthly Payment	Ending Monthly Payment¹	Total Interest Paid	Total Paid² (Loan + Interest)
\$10,000	\$56.67	\$159.63	\$4,726.70	\$14,726.70
\$30,000	\$170.00	\$478.88	\$14,179.62	\$44,179.62

Payment amounts under graduated plans vary from lender to lender. Your lender will determine the exact payments if you choose this plan.

An unsubsidized Stafford loan at 6.8% interest, with a 10-year amortized repayment plan.



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Extended Repayment Plan

- Eligible if you received loans after 10/7/1998 and have over \$30,000 in federal student loan debt.
- Repayment term may be as long as 25 years
- Minimum payment is at least \$50 per month
- Monthly payments may be fixed or graduated

Loan Amount	Monthly Payment	Years in Repayment	Total Interest Paid	Total Paid ¹ (Loan + Interest)
\$30,000	\$208.22	25	\$32,466.48	\$62,466.48



Income- Based Repayment Plan

- Monthly payment is capped at an amount that is affordable based on your income and family size
- Payment term is 10-25 years
- May qualify for cancellation for any outstanding balance on loans after 25 years
- Must reapply each year



Income -Sensitive Repayment Plan

- Repayment option available only to borrowers who have FFELP loans
- Monthly payments are based on income and total loan amount
- Repayment term is 10 years
- Must reapply each year

Loan Amount	Monthly Payment	Years in Repayment	Total Interest Paid	Total Paid ¹ (Loan + Interest)
\$30,000	\$208.22	25	\$32,466.48	\$62,466.48



Billy Borrower

- Billy Borrower:
 - Is single with no dependents and lives in DC
 - Has an AGI of \$35,000 that rises at 5% per year and
 - Has \$50,000 in Direct Loan debt (\$23,000 of which is subsidized), all of which has a 3.86% interest rate



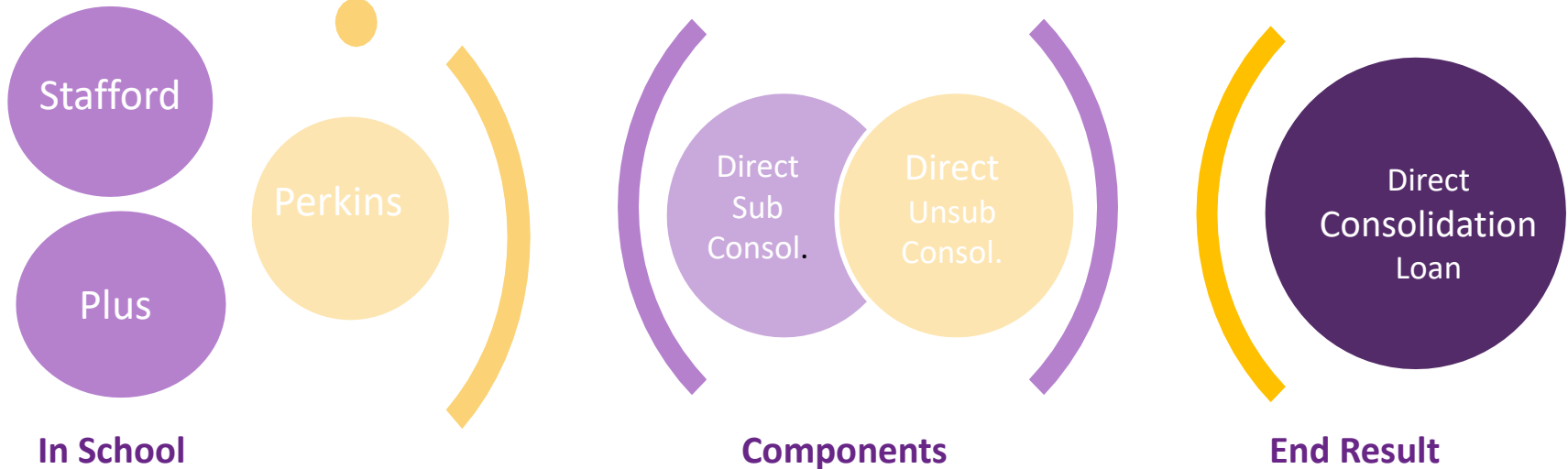
Billy Borrower - Comparison

	ICR	IBR	Pay As You Earn
Initial Payment	\$360	\$222	\$148
Final Payment	\$426	\$503	\$503
Time in Repayment	13 years, 9 months	15 years, 6 months	19 years, 9 months
Total Paid	\$65,198	\$69,595	\$77,605
Forgiveness	\$0	\$0	\$0

	Standard	Extended & Consolidation
Payment	\$503	\$260
Time in Repayment	10 years	25 years
Total Paid	\$60,349	\$78,021



Consolidation



- Consolidation: combining multiple loans into one new loan.
- Amount of time to repay depends on how much you have in student loans, including private loans
- There are pros and cons to consolidating your loans, so evaluate your options before consolidating, see www.Studentloans.gov
- Interest rate is weighted average of consolidated loans, capped at 8.25%.

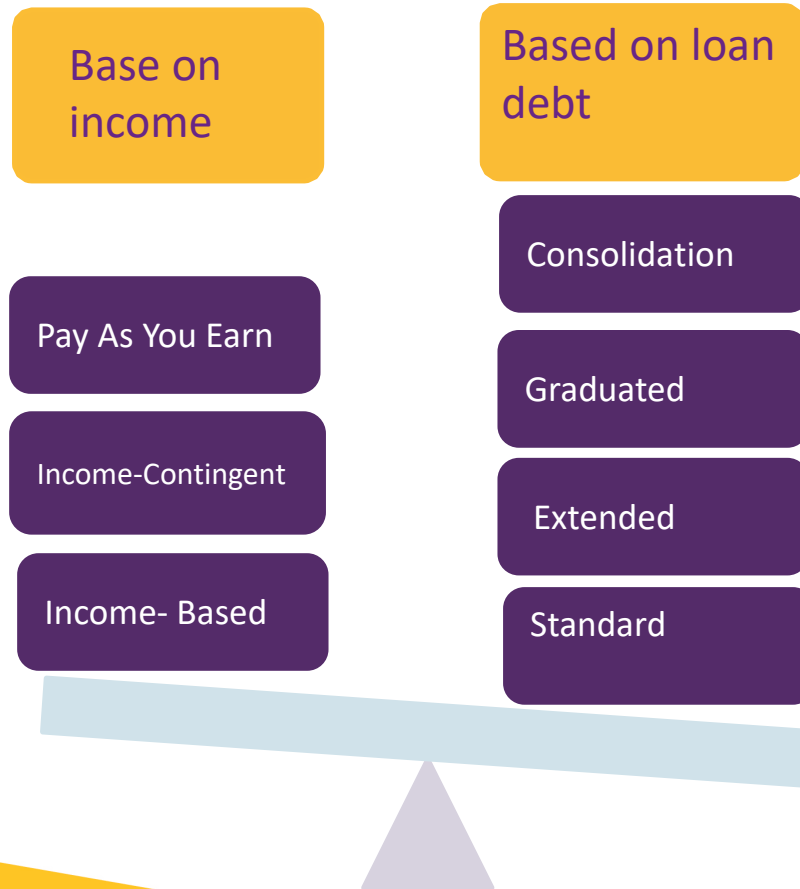


5 Things to Do Before Making Your First Student Loan Payment

- Compare monthly payment amounts
- Decide whether to consolidate
- Choose an affordable repayment plan
- Set up your payments
- Know who to contact if you need help with your student loans



Repayment Plans-FFEL and DL



Dealing with Financial Difficulty

- Use a temporary suspension of loan payments for short-term financial difficulty
 - Economic Hardship Deferment (3 year limit)
 - Forbearances (5 year limit)
- Change repayment plans for longer-term financial difficulty
 - Income-based repayment reduces the monthly payment based on your discretionary income
 - Extended repayment reduces the monthly payment by increasing the loan term to 12-30 years
- All of these options increase the cost of the loan



Deferment

- A period of time during repayment in which your lender postpones your regular loan payments, if you meet certain condition.
- During this period, the government will pay the interest on your subsidized loans, If you have unsubsidized loan, you must pay the interest that accrues during deferment (or let it accrue and have it added to the principal when the deferment is over.)
- Contact your lender or servicer to apply



Forbearance

- A period of time during which your lender may reduce or suspend your regular loan payment, or lengthen your repayment period because you have a financial hardship (but don't qualify for a deferment).
- Unlike deferments, the federal government will not pay the interest that accrues on subsidized loans during forbearance period .
- Contact your lender or servicer to apply



Deferment & Forbearance Reasons

Deferment

- Unemployment
- Economic hardship
- Graduate fellowship
- Rehabilitation training program
- Military
- In-school

Forbearance

- Medical/dental internship residency
- Student loan debt burden
AmeriCorps
- Teacher Loan Forgiveness
- National Guard
- Medical/other acceptable reasons



Public Service Loan Forgiveness

120 qualifying payments

On Direct Loans

While working full-time at qualifying employer

- You must also be employed by a qualifying organization at the time that you apply for and receive forgiveness
- According to the IRS, the forgiven amount is **not** treated as taxable income
- www.StudentAid.gov/PublicService



PSLF – Qualifying Employer Types

1

- Any government organization

Doesn't matter what the borrower's job duties are.

2

- 501(c)(3) not-for-profit organization

Borrower can work at multiple organizations while making the required 120 payments.

3

- Other not-for-profit organizations providing specific qualifying services



PSLF – Qualifying Repayment Plan



Income-driven plans are most likely to leave a remaining balance for forgiveness after 120 qualifying payments



PSLF – Borrowers Example

Without PSLF:

	ICR	IBR	Pay As You Earn
Time in Repayment	13 years, 9 months	15 years, 6 months	19 years, 9 months
Total Paid	\$65,198	\$69,595	\$77,605
Plan Forgiveness	\$0	\$0	\$0

With PSLF:

	ICR	IBR	Pay As You Earn
Time in Repayment	10 years	10 years	10 years
Total Paid for PSLF	\$45,700	\$37,541	\$26,788
PSLF Amount	\$18,064	\$28,777	\$41,671



Other Loan Forgiveness Programs

Volunteer Work- AmeriCorp, Peace Corps, VISTA

Military – Army Nation Guard

Teaching

Legal and Medical Studies -Health and Human Service

Federal Student Loans may qualify for forgiveness through a variety of forgiveness programs.

<http://www.finaid.org/loans/forgiveness.phtml>



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What is Default ?

Failure to make payments on your student loan as scheduled according to the terms of your promissory note, the binding legal document you signed at the time you took out your loan. You may experience serious legal consequences if you default.



Consequences of Default

Report to credit bureaus

No more eligibility for federal student aid

Loan immediately due and payable in full

Lose eligibility for repayment plans and deferment or forbearance options

Collection agencies

Administrative wage garnishment

Garnish tax refunds

Professional license holders from renewing their licenses



Helpful Repayment Tips to Avoid Default

- Keep copies of all loan documentation and repayment information
- If you are having problems making payments, contact your lender to explore another repayment schedule, deferment or forbearance
- Establish a budget and or financial plan
- Keep in touch with your lender/servicer
- You can change your repayment plan and due date
- If you move, make sure to provide your lender with your new address
- Make monthly loan payments when the grace period has ended



AIE Financial Coaching

FREE CONFIDENTIAL ONE-ON-ONE FINANCIAL COACHING FOR PRAIRIE VIEW A&M STUDENTS



Talking about your finances doesn't have to be uncomfortable.

Personalized, confidential financial coaching is available to you. Through a partnership with Prairie View A&M University, trained financial coaches are ready to answer your questions and help you make smart decisions. Our team is easy to talk to and can help you:

- > Understand financial aid and paying for college
- > Explore your major or career goal
- > Set goals and create a budget
- > Understand student loans and repayment
- > Explore building or fixing your credit
- > Learn how to save for emergencies

Schedule an online appointment at www.aie.org/coaching

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Thank You

Congratulations
And
Thank You For Attending
Student Loan Exit Counseling

Please complete and submit the following forms and turn in
Before You Leave form
Exit Counseling Survey



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