

FINANCIAL AID PRESENTS EXIT COUNSELING

WE KNOW - IT'S A LOT!

Just the thought of loans accrued may be stressful. We're here to help and simplify some key points to help guide you through the process!

StudentAid.gov

view your AID SUMMARY, find additional information, view your loan type, choose your repayment options, etc.

Terms to know

Principal: the sum of money lent, on which interest is paid.

Interest Rate: The current interest rate of the loan.

A fixed rate: indicates the loan had a set rate at the time it was made.

A variable rate: can vary based on factors like when you received your loan and what type of loan you received.

Interest: is a loan expense charged for the use of borrowed money.

Repayment is based on loan type

Standard: Fixed monthly payments over 10 years

Graduated: Monthly payments begin low and increase over time

Income-Driven: Monthly payments are tied to your income

Interest Terms

Direct Subsidized Loans: accumulates after the grace period has ended, when the repayment period has started.

Direct Unsubsidized or PLUS Loans: accumulates from the day the funds are disbursed (made available to your school), when you're in school, during your grace period, and in repayment.

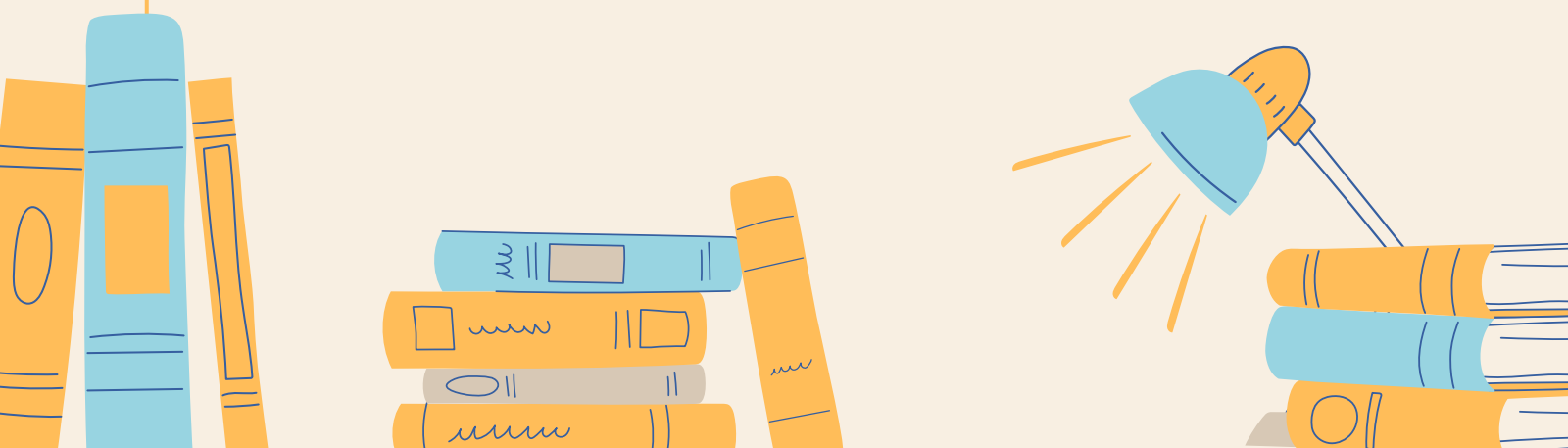
TIPS ON REDUCING TOTAL LOAN AMOUNT

#1: Start Repaying Early

#2: Pay Down Your Principal

#3: Save Money by Enrolling in Automatic Payments

#4: Making your payments on time



WHO'S RESPONSIBLE FOR WHAT?

YOU

- Knowing the terms and conditions of your loans
- Ensuring your school and servicer have your up-to-date contact information
- Reaching out to your servicer if you're worried about affording your payment

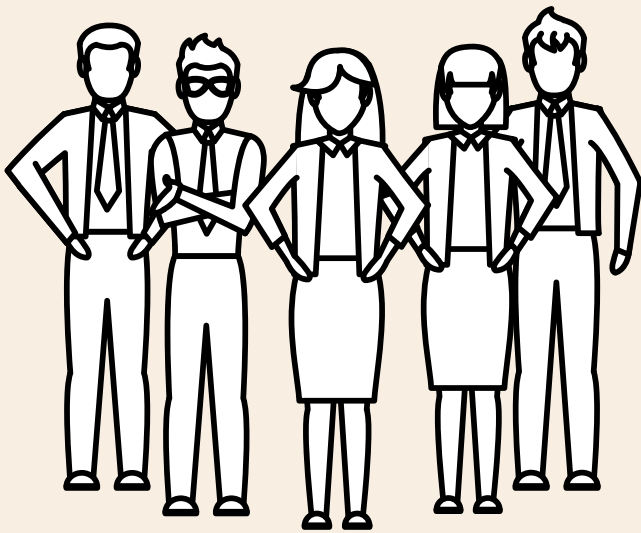


THE LENDER

The U.S. Department of Education (ED) pays servicers to provide federal student loan support on behalf of the government **at no cost to you.**

- Maintaining, providing customer assistance related to applications available on StudentAid.gov
- Providing assistance with loan disputes via the Federal Student Aid Ombudsman
- Overseeing loan servicers that support you throughout your loan repayment period.

contact



DEPT OF ED/FEDLOAN SERVICING(PHEAA)

myfedloan.org

800-699-2908

accountinfo@myfedloan.org

OMBUDSMAN

U.S. Department of Education

Federal Student Aid Information Center

P.O. Box 1854

Monticello, KY 42633

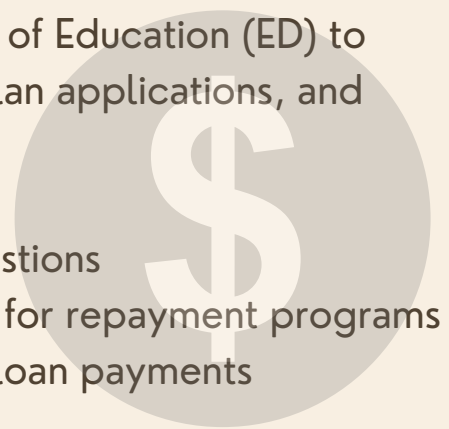
Fax: 1-606-348-3977

<https://studentaid.gov/feedback-ombudsman>

THE SERVICER

Your Servicer(s) is contracted by the U.S. Department of Education (ED) to handle payments and billing statements, repayment plan applications, and questions about your loan types.

- Helping you with your student loans by answering questions
- Helping you compare your options-helping you apply for repayment programs
- Issuing billing statements and collecting your student loan payments
- Processing applications for federal loan programs.



for your info

You Can Trust Your Servicer

Your Servicer Will Not Charge You for Help

Your Loans Are Still Federal Loans

Your Servicer Is There to Help

THE SCHOOL

- Helping you learn how much aid you have left and what types of aid you're eligible to receive
- Determining your aid eligibility and financial aid offer
- Distributing your aid, including your loans, to cover educational expenses
- Ensuring you complete exit counseling when you leave school, graduate, or drop below half-time enrollment.



START MAKING PAYMENTS

CREATE AN ACCOUNT ON YOUR SERVICER'S WEBSITE
INPUT YOUR BANK ACCOUNT INFORMATION
DECIDE HOW YOU'RE GOING TO PAY

REMEMBER, YOU CAN...

- Change Repayment Plans anytime
- Pause Payments: through forbearance and deferment
- Change Your Payment Due Date
- Consolidate Your Loans: This could lower your payment.
- Deduct Student Loan Interest on Your Taxes
- Apply to Receive Student Loan Forgiveness:
 - o Public Service Loan Forgiveness (PSLF)
 - o Teacher Loan Forgiveness
 - o Forgiveness Under the Income-Driven Repayment Plans
 - o Additional Loan Forgiveness and Discharge Options
 - Closed School Discharge
 - Total and Permanent Disability Discharge
 - Borrower Defense to Repayment
 - Discharge Due to Death
 - Bankruptcy
 - False Certification Discharge
 - Unpaid Refund Discharge

REPAYING YOUR STUDENT LOANS IS REQUIRED, EVEN IF YOU

- don't complete your program,
- don't complete the program within the regular time for program completion,
- aren't able to obtain employment upon graduation from your program, or
- are dissatisfied with or don't receive the education or other services purchased from the school.

CONTACT YOUR SERVICER BEFORE YOUR PAYMENT DUE DATE IF YOU THINK YOU'RE GOING TO MISS YOUR PAYMENT.

Capitalization: unpaid interest is added to your outstanding principal balance, which makes what you actually owe greater than the loan amount you initially took out.

Your federal student loan first becomes "delinquent" if your monthly payment is not received by the due date. If a **federal student loan is delinquent for more than 270 days, it goes into default**, which will have serious consequences.

Consequences of Delinquency

- Lower Credit Score

Consequences of Default

- Greater Credit Score Impact
- Demand for Immediate Repayment of Your Entire Balance
- Referral to Collections Agency and/or the U.S. Department of Justice
 - Wage Garnishments
- No Access to More Federal Aid if You Need It
 - Loss of Professional Licenses
- Relinquishment of Your Tax Refunds

the ways to get out of default are:

- Loan rehabilitation
- Loan consolidation
- Repayment in full

FORBEARANCE & DEFERMENT

Forbearance Pros:

You can stop making payments

Deferment Pros:

You can stop making payments for up to three years.

If you have subsidized student loans, you usually don't have to pay the interest that accrues while those loans are in deferment.

You can stop making payments for as long as your cancer treatment lasts and for 6 months after it ends.

For nearly all loans, regardless of whether they are subsidized, you don't have to pay the interest that accrues while the loans are in deferment.

It qualifies for forgiveness under an income-driven repayment plan

Forbearance Cons:

You will probably owe more in accrued interest once forbearance is over.

It does not count toward Public Service Loan Forgiveness.

It does not count toward forgiveness under an income-driven repayment plan.

Deferment Cons:

Interest may continue to accrue

It does not qualify for forgiveness under the Public Service Loan Forgiveness (PSLF) Program.

It does not qualify for loan forgiveness under an income-driven repayment plan or PSLF, unless your reason for deferment is economic hardship.