STUDENT LOANS 101

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Certified Consumer Credit Educator
Who is GreenPath?

Nonprofit financial counseling agency

Established in 1961

Four offices in NY area including Manhattan (above Penn Station), Brooklyn Heights, White Plains and Garden City
TODAY’S AGENDA

Types of loans
Repayment options
Postponing payments
Income driven plans
Forgiveness programs
Defaulted loans

We’ll cover these topics and more!
College can be a happy time...
…Until you start thinking about your student loans.
According to a 2013 study, the average college senior graduated with approximately $28,400 in student loan debt! 1 in 7 borrowers default within three years.
So many choices!

Stafford Loans
Perkins Loans
Parent PLUS Loans
Grad PLUS Loans
Private Loans
Thank you for completing the 2013 - 2014 FAFSA. Based on your FAFSA information, you are eligible for the following financial aid:

<table>
<thead>
<tr>
<th>Award Description</th>
<th>Fall Amount</th>
<th>Spring Amount</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Work-Study</td>
<td>1200</td>
<td></td>
<td>1200</td>
</tr>
<tr>
<td>Federal Pell Grant 1</td>
<td>2823</td>
<td>2822</td>
<td>5645</td>
</tr>
<tr>
<td>Federal SEOG Grant</td>
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<td>200</td>
<td>400</td>
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<tr>
<td>Educational Opportunity Prog</td>
<td>1000</td>
<td>1000</td>
<td>2000</td>
</tr>
<tr>
<td>TAP Estimate</td>
<td>2500</td>
<td>2500</td>
<td>5000</td>
</tr>
<tr>
<td>SUNY Tuition Credit Estimate</td>
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<td></td>
<td>5000</td>
</tr>
<tr>
<td>Federal Direct Sub Loan 1</td>
<td>1750</td>
<td>1750</td>
<td>3500</td>
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<tr>
<td>Federal Direct Unsub Loan 1</td>
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<td>1000</td>
<td>2000</td>
</tr>
<tr>
<td>Federal Perkins Loan</td>
<td>500</td>
<td>500</td>
<td>1000</td>
</tr>
</tbody>
</table>

*If you are awarded Work-Study, although it will show above on the total amount, it is fully federal but will be paid out in Fall and Spring.*

Please note, your award(s) are subject to change. If any awards change, we will send a Revised Financial Aid Award Letter to your buffalo.edu email address. To view, accept or decline your financial aid log into the HUB Student Center via [http://myub.buffalo.edu](http://myub.buffalo.edu). Your UB IT name and password are required.

Before accepting your awards you are expected to read the Financial Aid Award Letter Step by Step Guide at [http://financialaid.buffalo.edu/pdfs/StepbyStep1314.pdf](http://financialaid.buffalo.edu/pdfs/StepbyStep1314.pdf). The guide explains the University at Buffalo Financial Aid Terms and Conditions and outlines specific instructions about accepting your financial aid.

The initial financial aid award letter is based upon your academic career and assumed full-time enrollment (12 or more credit hours per semester). However, final financial aid awards are based on UB credit hours registered on the financial aid census date, which can be found at [http://financialaid.buffalo.edu/process/census.php](http://financialaid.buffalo.edu/process/census.php). If you are not registered full-time on the financial aid census date, your financial aid awards will be adjusted to reflect your actual registration.

Sincerely,

The Office of Financial Aid
Subsidized Loans

- Rates change each year
- Limit ranges from $3500 to $5500

No interest during school.

- 2013-14: 3.86%
- 2014-15: 4.66%
- 2015-16: 4.29%

Once you take out the loan, the rate does not change.
Unsubsidized Loans

Rates change each year

Limit usually $2000 if getting max subsidized amount

Interest accumulates during school.

2013-14: 3.86%
2014-15: 4.66%
2015-16: 4.29%
Perkins Loans

- Rates stay the same each year
- Limit = $5500
- No interest during school
- Rate = 5%
- Needs based; First come, first served
Parent PLUS/Grad PLUS Loans

Rates change each year

Limit = cost of attendance

Interest accumulates during school; Credit check required; additional fees apply

2013-14 6.41%
2014-15: 7.21%
2015-16: 6.84%

Once you take out the loan, the rate does not change.
FIND A PRIVATE STUDENT LOAN TODAY...
and enjoy the rest of summer!

Compare several different student loans and receive a credit approval decision in MINUTES.

Get Started

POWERED BY
PrivateStudentLoans.com
Federal Repayment Options

When you graduate, your loan payments start 6 months later.

You can usually select payment plans ranging from 10 years to 25 years or based on your income.
Federal Repayment Options

• **Standard Repayment**: usually 10 years

• **Graduated Repayment**: usually increase every two years

• **Extended Repayment**: if balance exceeds $30,000; fixed or graduated payments not to exceed 25 years

• **Income based repayment (IBR) and Pay As You Earn (PAYE)** → more on this later
Postponing Payments

Deferment: unemployed, in school, etc. (no interest on subsidized and Perkins loans)

Forbearance (interest always accumulates)
Income Driven Plans: IBR, PAYE, REPAYE

See [www.ibrinfo.org](http://www.ibrinfo.org) for more info.
<table>
<thead>
<tr>
<th>Plan</th>
<th>Monthly Payment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$360/month</td>
<td>$43,231</td>
</tr>
<tr>
<td>Graduated</td>
<td>$205 - $616/month</td>
<td>$45,987</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>$206/month</td>
<td>$61,904</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>$157 - $317/month</td>
<td>$67,431</td>
</tr>
<tr>
<td>Pay As You Earn</td>
<td>$97 - $343/month</td>
<td>$47,789</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$145 - $360/month</td>
<td>$57,737</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>$234 - $313/month</td>
<td>$50,490</td>
</tr>
</tbody>
</table>
Public Service Loan Forgiveness

If you work for a non profit or government agency (including schools), you may be able to have federal loans forgiven after 10 years.
“I don’t work in a public service profession. Do I have options?”

If you’re eligible for IBR, 25 years of IBR payments can qualify you for debt forgiveness.

If you’re eligible for PAYE or REPAYE, 20 years of income driven payments can qualify you for debt forgiveness.
“What does it mean if my loan is in default? How does this happen?”
Getting out of default

Rehabilitation

– Option if student loan is in default

– Strict payment schedule for a certain period of time (usually 9 months)

– Upon completion, your loan will return to a normal lender and any notation of default on your credit report will be erased
Consolidation for defaulted loans

Federal Direct Consolidation Loan

– Gives fresh start and restarts the clock for forbearance and deferment time
– See www.studentloans.gov for more info
– Quicker than rehab, but credit report will look worse
“I always have bankruptcy as a last resort, right?”
Additional Resources

www.studentloanborrowerassistance.org

www.studentaid.ed.gov

www.consumerfinance.gov
Counseling Services

- **Budget** counseling
- **Credit report** reviews
- **Debt issue** counseling: credit cards, medical, **student loans**, debt collectors, lawsuits
- Counseling for **bankruptcy** filers
THANK YOU

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www.greenpath.org/university