

# STUDENT LOAN REPAYMENT STRATEGIES FOR DENTAL STUDENTS

# Know Your Loan Portfolio

- **Know what types of loans you have**
  - Perkins Loans
  - Federal Loans
  - Direct Loans
  - Private/Alternative Loans
- **Identify your servicers**
  - Federal and/or private loans may not all be with one servicer
    - Great Lakes
    - Nelnet
    - Fed Loan Servicing
    - Navient

# Finding Your Federal and Private Student Loans

**Federal Student Loans**  
National Student Loan Data System  
[www.nslds.ed.gov](http://www.nslds.ed.gov)

**Private Student Loan**  
[www.annualcreditreport.com](http://www.annualcreditreport.com)

The screenshot shows the NSLDS Student Access website. At the top, it features the slogan "START HERE GO FURTHER FEDERAL STUDENT AID" and a "Skip Navigation" link. Below this is a navigation menu with links for "Financial Aid Review", "Exit Counseling", "Glossary of Terms", "Browser Info/Setup", "FAQs", and "Contact Us". The main content area is titled "NSLDS STUDENT ACCESS National Student Loan Data System" and includes a sub-heading "Retrieve Your Loan Information". A paragraph explains that NSLDS is the U.S. Department of Education's central database for student aid, receiving data from schools, guaranty agencies, the Direct Loan program, and other ED programs. It states that NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants, allowing recipients to access and inquire about their Title IV loans and/or grant data. At the bottom of the main content area, there are two buttons: "Financial Aid Review" and "Exit Counseling".

The screenshot shows the AnnualCreditReport.com homepage. At the top, it displays the site name "AnnualCreditReport.com" and the tagline "The only source for your free credit reports. Authorized by Federal law." Below this is a navigation menu with links for "Home", "All about credit reports", "Request yours now!", "What to look for", "Protect your identity", "Frequently asked questions", and "Contact us". The main content area features a large blue banner with the text "Spot identity theft early. Review your credit reports." and a sub-heading "Suspicious activity or accounts you don't recognize can be signs of identity theft. Review your credit reports to catch problems early." Below the banner is a button that says "Learn more about Identity Theft". Below the banner is a horizontal menu with options: "PAUSE", "SPOT IDENTITY THEFT", "GOOD CREDIT", "DON'T BE FOOLED", "MORE THAN A SCORE", and "NOT LIKE THE OTHERS". Below the menu, there are two columns of text. The left column is titled "Your credit reports matter." and lists three bullet points: "Credit reports may affect your mortgage rates, credit card approvals, apartment requests, or even your job application.", "Reviewing credit reports helps you catch signs of identity theft early.", and a red button that says "Request your free credit reports". The right column is titled "FREE Credit Reports. Federal law allows you to:" and lists two bullet points: "Get a free copy of your credit report every 12 months from each credit reporting company." and "Ensure that the information on all of your credit reports is correct and up to date." Below the text, there are logos for "Experian", "TransUnion", and "EQUIFAX".

## 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)







# Relative Costs of a Student Loan

- Interest Rate
  - What the lender charges for the use of money
  - The higher the interest rate, the more the loan will cost overall
- Interest Capitalization
  - Interest capitalization occurs when unpaid interest is added to the principal amount of a loan, increasing the principal amount outstanding
- 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



# Loan Interest Rates

Loan type	Undergraduates	Graduate Students
<b>Direct Subsidized Loans</b>		
2012 13	3.40%	N/A
2013 14	3.86%	N/A
2014 15	4.66%	N/A
2015 16	4.29%	N/A
<b>Direct Unsubsidized Loans*</b>	Pre AY 13-14: 6.8% AY 13-14: 3.86% AY 14-15: 4.66% AY 15-16: 4.29%	Pre AY 13-14: 6.8% AY 13-14: 5.41% AY 14-15: 6.21% AY 15-16: 5.84%
<b>Graduate PLUS Loans*</b>	---	Pre AY 13-14: 7.9% AY 13-14: 6.41% AY 14-15: 7.21% AY 15-16: 6.84%
<b>Consolidation Loan</b>	Fixed rate based on weighted-average interest rate of underlying loans rounded up to nearest one-eighth of a percent (capped at 8.25%)	
<b>Private Loans, Institutional Loans</b>	Many lenders offer both variable and fixed rate options. Interest rates range from 2.25% – 12.99%.	
*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: <http://studentaid.ed.gov/types/loans/interest-rates#what-are-the-interest-rates-of-federal-student-loans>





# Interest Capitalization and Its Impact

- Interest on most loans accrues from the date funds are disbursed until the loan is paid in full
- Capitalization is the addition of unpaid accrued interest to the principal balance of a loan. The less frequent the better.
- Capitalization may occur more frequently for certain loans during forbearance

The chart provides estimates, for a \$5,000 Stafford loan with a 6.8% interest rate, of the monthly payments due at the end of a 12 month forbearance for a 10 year term

Treatment of Interest During Forbearance Status	Principal at Repayment	Cap. Int. During Forbearance	Principal at end of Forbearance	Payment Amount	Total Amount Repaid	Total Interest Cost
Int. is paid as it accrues	\$5,000	\$0	\$5,000	\$57.54	\$6,904.88	<b>\$1,904.88</b>
Int. is capitalized at end of status	\$5,000	\$340	\$5,340	\$61.45	\$7,374.55	<b>\$2,374.55</b>

Tip: Students should consider asking family to help with interest

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The chart provides estimates, for \$25,000 in Grad PLUS loans from a 4 year program with a 7.21% interest rate, of the monthly payments due at the end of a 12 month forbearance

Treatment of Interest During Forbearance Status	Principal at Repayment	Cap. Int. During Forbearance	Principal at end of Forbearance	Payment Amount	Total Amount Repaid	Total Interest Cost
Int. is paid as it accrues	\$25,000	\$0	\$25,000	\$293	\$44,321	<b>\$20,393</b>
Int. is capitalized at end of status	\$32,360	\$2,333	\$35,667	\$407	\$48,790	<b>\$24,862</b>

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The chart provides estimates, for \$50,000 in Grad PLUS loans from a 4 year program with a 7.21% interest rate, of the monthly payments due at the end of a 12 month forbearance

Treatment of Interest During Forbearance Status	Principal at Repayment	Cap. Int. During Forbearance	Principal at end of Forbearance	Payment Amount	Total Amount Repaid	Total Interest Cost
Int. is paid as it accrues	\$50,000	\$0	\$50,000	\$586	\$88,642	\$40,786
Int. is capitalized at end of status	\$64,720	\$4,666	\$69,387	\$813	\$97,580	\$49,724

Tip: Students should consider asking family to help with interest

## Paying Loans Off Early

- Borrowers can always 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 should save more money over time.
- Unless otherwise noted, loan payments typically are applied first toward late fees, then interest, and finally principal

# Borrower Benefits/Repayment Incentives

- Money-saving borrower benefits and repayment incentives are typically offered to borrowers by lenders
- They take the form of interest rate reductions, credits to loan balance and/or cash rebates and imposed eligibility rules such as making a specific number of on-time payments
- Borrowers should make sure to:
  - Find out if any of their loans are eligible for borrower benefits or repayment incentives by contacting loan service provider or consulting lender's web site
  - Research the terms to know and understand the eligibility rules



# Ways to Postpone Payments



Direct Subsidized, Unsubsidized  
and some private loans offer grace  
periods



Federal Consolidation Loans and  
Grad PLUS loans do not have grace  
periods

- Grad PLUS loans issued on or after July 1, 2008, include a six-month post-school deferment that essentially aligns with the Stafford grace period
- Forbearance can also be used to temporarily postpone payment if necessary for Consolidation loans and older Grad PLUS loans
- Borrower can postpone repayment on federal loans via a deferment or forbearance
  - Borrower has to meet the qualifying conditions for a deferment or a forbearance

# Understanding Grace Periods

**Grace Period - period of time after a borrower graduates, leaves school or drops to less than half-time**

- 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

# Record your Grace Period Status

e	Grace Period (Yes/No)	Action Date*

# Track Dates You Need to Take Action

**Tip:**  
This is one of the most important items to document. List the date that you have to take action on your loan. This can either be the graduation date or the date your grace period expires. This can be confirmed by your servicer(s)

	Grace Period (Yes or No)	Action Date*

# 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

## **Common Types of Deferments:**

- ✓ In-School
- ✓ Economic Hardship
- ✓ Unemployment
- ✓ Military
- ✓ Graduate Fellowship

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 your principal balance) at the 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.

# Understanding Federal Loan Forbearance

**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 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!**

# Federal Forbearance During Residency

Medical and dental school residents are eligible to receive a forbearance during their residency as long as the residency meets certain criteria such as being required for a degree, certificate, or licensing for professional practice or service. (Renewable on an annual basis in 12-month increments)

# Delinquency & Default

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

- Delinquency
  - Failure to make payment(s) when due
  - Reported to credit bureaus; affects borrowers history
- Default
  - 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 are rarely discharged in bankruptcy











# Repayment Plans

- **Standard Repayment (Federal and Direct Loans)**
  - Level monthly payments that cover accruing interest and a portion of principal over a 10-year period
  - Higher monthly payments
  - **Lowest overall cost**
- **Graduated Repayment (Federal and Direct Loans)**
  - Payments start low, increase over time
  - Interest only payments followed by standard principal & interest
  - Finish in 10 years
  - Higher overall cost – but provides lower initial payment amounts

# Repayment Plans (Continued)

- **Income Sensitive Repayment (Federal Loans Only)**
  - Payments are based on percentage of your monthly income
  - Payments must be sufficient to cover accruing interest
  - Finish in 10 years (may be extended to 15 years)
  
- **Extended Repayment (Federal and Direct Loans)**
  - Available to borrowers who have accumulated more than \$30K in Direct or FFELP Federal Stafford, PLUS & Consolidation loans first disbursed on or after October 7, 1998
    - Direct and Federal Loans are accumulated separately in determining eligibility
  - Repayment can be extended up to 25 years
  - Permits you to manage monthly cash flow needs, but will increase your cost

# Federal Loan Repayment Comparison

Repayment Plan	Repayment Period	Monthly Payment Initial to Final Amounts	Projected Loan Forgiveness ⓘ	Total Interest Paid ⓘ	Total Amount Paid
Standard ⓘ	120 months	\$2,260 to \$2,260 	\$0	\$71,174	\$271,174
Graduated ⓘ	120 months	\$1,298 to \$3,893 	\$0	\$90,505	\$290,505
Extended Fixed ⓘ	300 months	\$1,337 to \$1,337 	\$0	\$201,010	\$401,010
Extended Graduated ⓘ	300 months	\$1,065 to \$1,959 	\$0	\$235,387	\$435,387
Income-Based Repayment (IBR) ⓘ	300 months	\$279 to \$1,226 	\$321,692	\$197,808	\$197,808
IBR for New Borrowers ⓘ	240 months	\$186 to \$613 	\$367,621	\$87,979	\$87,979
Pay As You Earn ⓘ	240 months	\$186 to \$613 	\$367,621	\$87,979	\$87,979
Income-Contingent Repayment (ICR) ⓘ	300 months	\$471 to \$1,807 	\$245,889	\$303,101	\$303,101

Assumes \$200,000 in graduate loans over a 4 year period (\$82,000 unsubsidized and \$118,000 GradPLUS). Assumes current interest rate of 5.84% for all unsubsidized loans and 6.84% for all GradPLUS Loans, annual income of \$40,000 and household size of 1.

Source: <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>

# Federal Loan Repayment Comparison

Repayment Plan	Repayment Period	Monthly Payment Initial to Final Amounts	<u>Projected Loan Forgiveness</u> ⓘ	<u>Total Interest Paid</u> ⓘ	Total Amount Paid
Standard ⓘ	120 months	\$3,411 to \$3,411	\$0	\$109,261	\$409,261
Graduated ⓘ	120 months	\$1,961 to \$5,884	\$0	\$139,087	\$439,087
Extended Fixed ⓘ	300 months	\$2,031 to \$2,031	\$0	\$309,187	\$609,187
Extended Graduated ⓘ	300 months	\$1,632 to \$2,951	\$0	\$360,906	\$660,906
Income-Based Repayment (IBR) ⓘ	300 months	\$279 to \$1,226	\$591,692	\$197,808	\$197,808
IBR for New Borrowers ⓘ	240 months	\$186 to \$613	\$603,621	\$87,979	\$87,979
Pay As You Earn ⓘ	240 months	\$186 to \$613	\$603,621	\$87,979	\$87,979
Income-Contingent Repayment (ICR) ⓘ	300 months	\$471 to \$1,807	\$532,239	\$303,101	\$303,101

Assumes \$300,000 in graduate loans over a 4 year period (\$82,000 unsubsidized and \$218,000 GradPLUS). Assumes current interest rate of 5.84% for all unsubsidized loans and 6.84% for all GradPLUS Loans, annual income of \$40,000 and household size of 1.

Source: <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>

# Repayment Plans (Continued)

- **Income-Contingent Repayment (Direct Loans Only)**
  - Payment is based on income
  - Student loan payments will not exceed **20% of “discretionary income”**
  - Negative amortization is allowed
  - Up to 25 years to repay
  - Balance remaining after 25 years’ worth of payments can be forgiven (reportable as income)
- **Income-Based Repayment (Federal and Direct Loans)**
  - Available to federal loan borrowers experiencing financial hardship
  - Student loan payments will not exceed **15% of “discretionary income”**
  - If eligible for IBR, borrower’s monthly payment will be determined by a formula that takes into account household size and adjusted gross income. Increases in income will impact the required monthly payment amount
  - Unpaid balance may be forgiven after 25 years of scheduled monthly payments (reportable as income)
- **Pay As You Earn – PAYE (Direct Loans)** Announced by ED December 21, 2012
  - Available to new Direct loan borrowers (except Parent PLUS) experiencing financial hardship
  - No loan balance as of October 1, 2007, and
  - Received a Direct loan on or after October 1, 2011
  - Student loan payments will not exceed **10% of “discretionary income”**
  - Similar to Income Based Repayment, borrower’s monthly payment will be determined by a formula that takes into account family size and adjusted gross income. Increases in income will impact the required monthly payment amount
  - Unpaid balance may be forgiven after 20 years of qualifying repayment (reportable as income)

# \*New: Revised Pay As You Earn (REPAYE)

Repayment Plan	Eligible Loans	Monthly Payment & Timeframe	Quick Comparison
<p>Revised Pay As You Earn Repayment Plan (REPAYE)</p> <p>Effective December 2015</p>	<p>Any outstanding loan made to a borrower under the Direct Loan Program or the FFEL Program <b>(if consolidated into a Direct Consolidation Loan)</b> except for a defaulted loan, a Direct PLUS Loan or Federal PLUS Loan made to a parent borrower, or a Direct Consolidation Loan or Federal Consolidation Loan that repaid a Direct PLUS Loan or Federal PLUS Loan made to a parent borrower</p>	<ul style="list-style-type: none"> <li>• Generally, maximum monthly payments will be 10 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence divided by 12</li> <li>• Your monthly payment amount can change each year depending on income changes</li> <li>• Up to 25 years               <ul style="list-style-type: none"> <li>• Undergraduate Loans Only: 20 years</li> <li>• At Least One Graduate Loan: 25 years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Available to all Direct Loan borrowers regardless of when they took out the loan</li> <li>• Monthly payments will be lower than payments under the 10-year standard plan</li> <li>• You'll pay more for your loan over time than you would under the 10-year standard plan</li> <li>• If you have not repaid your loan in full after you made the equivalent of 20 years (undergraduate/ 25 for graduate) of qualifying monthly payments, any outstanding balance on your loan will be forgiven</li> <li>• If the monthly payment on a borrower's subsidized or unsubsidized loan does not cover the accrued interest, the amount of interest charged is limited to 50% of the remaining accrued interest. (No interest is charged to subsidized loans that meet this criteria for a consecutive three-year period before the 50% limit applies.)</li> <li>• You may have to pay income tax on any amount that is forgiven</li> </ul>

# Quick Comparison of Income Driven Repayment Plans

## Payment Amounts

Source: U.S. Department of Education  
2014 FSA Training Conference for Financial Aid Professionals

Repayment Plan	Payment based only on income	Payment based on loan debt
ICR	20% of discretionary income	12-year standard payment adjusted based on income
IBR	15% of discretionary income	10-year standard amount
PAYE / "new" IBR/Revised PAYE	10% of discretionary income	10-year standard amount

# 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
- 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



# Federal Loan Repayment Plans (Continued)

- **Loan Consolidation**
  - Provides the ability for borrowers to consolidate all of their federal loans into one new loan
  - FFEL and Direct Stafford Loans, Perkins Loans and PLUS Loans may be consolidated
  - Interest Rate: weighted average of the interest rates on the loans being consolidated rounded to the nearest higher one-eighth of one percent. Multiple repayment options: Standard, Graduated, Extended, Income Contingent, Income Based, Pay as you Earn
  - Benefits:
    - Longer repayment period
    - Lower monthly payment
    - Single Servicer

## Federal Loan Forgiveness Program for Public Service Employees

- Eligibility limited to Federal Direct Student Loan Program (FDLP) Loans
  - FFELP Stafford, PLUS and Consolidation are not eligible
- FFELP Borrowers may consolidate in the FDLP
- 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.

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

# PSLF Employment Certification Form

- It will take you at least 10 years to make the 120 qualifying payments necessary to receive PSLF
- During this time you'll want to track your periods of qualifying employment
- The Employment Certification Form will allow you to get your employer's certification of employment while you are still employed

	<b>Employment Certification for Public Service Loan Forgiveness (PSLF)</b> William D. Ford Federal Direct Loan Program	CMS No. 1945-0110 Form Approved Exp. Date 11/30/2014	
	<b>WARNING:</b> Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying documents is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.		
<b>INSTRUCTIONS FOR COMPLETING AND SUBMITTING THIS EMPLOYMENT CERTIFICATION</b> Read the accompanying instructions for completing this Employment Certification for Public Service Loan Forgiveness. Type or print using blue or black ink. You must sign and date this form in Section 2 and an authorized official from the public service organization which employs/employed you must completely fill out, sign, and date Section 3. If any information is crossed out or altered in Sections 1 or 2, you must initial beside the change; any changes in Section 3 must be initialed by your employer.			
<b>SECTION 1: BORROWER IDENTIFICATION</b>			
Please enter or correct the following information. <input type="checkbox"/> Check this box if any of your information has changed.			
1a. SSN	[ ][ ][ ] - [ ][ ][ ] - [ ][ ][ ][ ]	1b. Date of Birth (MM-DD-YYYY)	[ ][ ] - [ ][ ] - [ ][ ][ ][ ]
2a. Name	Last First MI	2b. Former Name (if applicable)	Last First MI
3. Permanent Address	Street Address	City	State Zip
Mailing Address (if different)	Street Address	City	State Zip
4. Area Code/Telephone – Home	( )	Area Code/Telephone – Other	( )
5. E-mail (optional)	_____		

Learn More: <http://studentaid.ed.gov/publicservice>

# Student Loan Interest Deduction

- Borrowers may be eligible to deduct student loan interest
- 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
  - The limits for Federal Tax Year 2015 are shown in the table below:

	Full Deduction	Partial Deduction	No Deduction
Single	Modified Adjusted Gross Income is $\leq$ \$65,000	\$60,001 to \$79,999	\$80,000 or more
Married Filing jointly	Modified Adjusted Gross Income is $\leq$ \$130,000	\$130,001 to \$159,999	\$160,000 or more

**Source** - <http://www.irs.gov/publications/p970/ch04.html>

NOTE: For information about your specific tax situation and any tax advice, please contact a tax professional

# Keep Good Records

- Get all loan documents together: keep them on file!
  - Promissory notes
  - Disclosure statements
  - Award Letters
- Exit interview information
- Open and READ student loan mail
- Bookmark loan servicer's websites
- Notify loan servicer(s) of name & address changes
- Document calls to servicer: date/time of call & person who handled the call
- Keep important numbers available



# Resources

- School Financial Aid
- Lender/servicer
- Federal Student Aid Ombudsman
  - U.S. Department of Education – FSA Ombudsman
  - <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)
  - Fed Loan Servicing: 800-699-2908 [www.myfedloan.org](http://www.myfedloan.org)
  - Navient: 800-722-1300 [www.navient.com](http://www.navient.com)
  - Nelnet: 888-486-4722 [www.nelnet.com](http://www.nelnet.com)

# Final Tips for Managing Your Loans and Finances



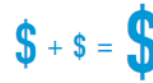
## Make payments automatically

You won't forget to make your payment and you could also get a reduction on your interest rate.



## Make payments each and every month

Resist putting off your payments, as deferment or forbearance typically means you'll pay more over the life of the loan.



## Pay a little extra each month

Extra payments can help you pay off your loan faster.



## Create a budget

Track your monthly expenses to help you cut out unnecessary items and pay down your debt even faster.



## If you fall behind, get help

Call your loan servicer to discuss your options. Changes to your payment plan may provide the flexibility you need.



## Build an emergency fund

Aim to save \$500 to \$1,000 to cover unexpected expenses.



## Beware of scams

Fraudulent companies might claim to offer easy ways to lower your loan payments and even try to charge you fees. If you have doubt about a service offered, contact your servicer.



## Don't miss important information

Keep your loan servicers updated with any change in mailing address, email, and phone numbers so they can keep in touch with you.

**Questions?**