



PREPARING FOR REPAYMENT

MANAGING YOUR UPCOMING EXPENSES

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The Office of Financial Aid / Enrollment Services
Seton Hall Law

Managing Your Student Loan Payments

May 2017 Graduates

1. Bar Exam Expenses
2. Student Loan Repayment Plans
3. SALT

Bar Study Loan – Borrow Conservatively

3

- Bar Study Loans are Private Loans
- Excluded from Federal Loan repayment
- Maximum Loan is \$15,000
- Proceeds are sent directly to the student
- May be borrowed for the cost of bar exam, prep-course and living expenses
 - ❖ **Your 2016-17 Financial Aid Budget can be increased for Bar Exam Fee - *if paid while enrolled* (increase to Grad Plus Loan)**
 - ❖ **Complete Loan Adjustment Form with copy of paid Bar Exam fees and submit to the Financial Aid Office**

Know What you Owe

www.nslds.ed.gov

4

- ❑ Start with
NSLDS
- ❑ Determine who
is your
Servicer –
 - ❑ Create Online
Account at the
Servicer



The screenshot shows the Federal Student Aid website. At the top, it says "Federal Student Aid" with the tagline "An OFFICE of the U.S. DEPARTMENT of EDUCATION". To the right, it says "PROUD SPONSOR of the AMERICAN MIND™". In the top right corner, there are links for "Español (Spanish)" and "Skip Navigation". Below this is the "National Student Loan Data System (NSLDS) for Students" header. A navigation bar contains links: "Financial Aid Review", "Exit Counseling", "Glossary of Terms", "Browser Info/Setup", "FAQs", and "Contact Us". The main content area features a large image of a student in a red jacket and a cap, sitting at a desk with a laptop. To the right of the image, the text reads "NSLDS STUDENT ACCESS" and "National Student Loan Data System". Below this is a blue box with the heading "Retrieve Your Loan Information". Inside this box, it says: "The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data." At the bottom of the box are two buttons: "Financial Aid Review" and "Exit Counseling".

- ❑ Complete Exit Counseling www.studentloans.gov

How to Choose a Repayment Plan?

5

- ❑ Know the Difference Between Plans (explained in the upcoming slides)
- ❑ Compare using Repayment Estimator – studentloans.gov (Log in using FSA ID)

The screenshot shows the Federal Student Aid Repayment Estimator page. At the top, the URL is <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>. The page header includes "ABOUT US" and "ENGLISH | ESPAÑOL". The main heading is "Federal Student Aid" with the tagline "An OFFICE of the U.S. DEPARTMENT of EDUCATION". To the right, it says "PROUD SPONSOR of the AMERICAN MIND™ Repayment Estimator". Below this, there is a breadcrumb trail: "Repayment Plans » Repayment Estimator". A box contains the text: "Use the Repayment Estimator when you're:" followed by a bulleted list: "• beginning repayment of your federal student loans for the first time; or" and "• exploring repayment options based on your income." Below this list, a link states: "Otherwise, we recommend contacting your loan servicer to explore the best repayment option for you." At the bottom, there are two buttons: "Log In" and "Proceed". To the right of the "Log In" button is the text "To view estimates based on your actual loan information". To the right of the "Proceed" button is the text "To continue to the Repayment Estimator without logging in".

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

ABOUT US ENGLISH | ESPAÑOL

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of the AMERICAN MIND™ **Repayment Estimator**

[Repayment Plans](#) » Repayment Estimator

Use the Repayment Estimator when you're:

- beginning repayment of your federal student loans for the first time; or
- exploring repayment options based on your income.

[Otherwise, we recommend contacting your loan servicer to explore the best repayment option for you.](#)

Log In To view estimates based on your actual loan information

Or

Proceed To continue to the Repayment Estimator without logging in

Income Driven (IDR) Federal Loan Repayment Plans

6

IBR

PAYE

REPAYE

Income
Contingent

Payments are recalculated each year based on your income and family size. Generally, you will qualify if your federal student loan debt is higher than your discretionary income.

Repayment Estimator: <https://studentloans.gov>

Similarities of IDR Plans

7

Provides monthly payment relative to your income (can be \$0 pymt)

Borrowers must complete application and submit income documentation each year

Provides forgiveness benefit after 20 or 25 years of qualified repayment

Forgiven amounts are considered taxable income

Payments count towards Public Service Loan Forgiveness

Eligibility

8

ICR

- All Direct Loan Types,
- Except Parent Plus Loans
- Direct Parent Plus eligible if consolidated after 7/1/06.

IBR

- All Direct Loan *and* FFEL Loan Types, Except Parent Plus Loans and consolidation loans that repaid Parent Plus Loans

PAYE

- All Direct Loan Types, Except Parent Plus Loans and consolidation loans that repaid Parent Plus Loans
- Also must be a new borrower – (Not have a Direct Loan made prior to 10/1/07 and also rec'd Direct Loan on or after 10/1/11)

REPAYE

- All Direct Loan Borrowers regardless of when loan was made

Payment Amount

9

Most IDR plans have 2 formulas – if they do, then borrowers pay the lesser of the 2.

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, must show need (partial financial hardship)	10-year standard amount
PAYE	10% of discretionary income, must show need (partial financial hardship)	10-year standard amount
REPAYE	10% of discretionary income	None

Married?

10

ICR

- Spouse's income (AGI) used if joint tax return.
- Only Borrower AGI used if married filing separately.

IBR

- Spouse's income (AGI) used if joint tax return.
- Only Borrower AGI used if married filing separately.

PAYE

- Spouse's income (AGI) used if joint tax return.
- Only Borrower AGI used if married filing separately.

REPAYE

- **Both incomes used**, regardless of filing status

Interest Capitalization –

if the monthly payment doesn't cover the interest.

11

IBR

- Interest is capitalized if, the borrower is no longer qualified based on income OR Borrower leaves IBR
- No limit to the amount of interest that may be capitalized.

PAYE

- Interest is capitalized if, the borrower is no longer qualified based on income OR Borrower leaves PAYE
- Interest limited to 10% of orig loan princ. bal at time entered PAYE

REPAYE

- Interest is capitalized if, the borrower is no longer qualified based on income OR Borrower leaves IBR
- No limit to the amount of interest that may be capitalized.

ICR

- Interest is capitalized annually
- Capitalized interest is limited to 10% of your original loan principal bal at the time the borrower entered ICR.

Loan Forgiveness

12

ICR

- 25 years

IBR

- 25 years

REPAYE – any Grad Loans

- 25 years

PAYE

- 20 years

REPAYE – all undergrad Loans

- 20 years

IDR Pros and Cons

13

Pros

- ❑ More Manageable, lower monthly payments
- ❑ Avoidance of delinquency and default
- ❑ Remaining principal and interest is forgiven after 20 or 25 years of payments
- ❑ Possibility of Public Service Loan Forgiveness (after 10 years of qualifying payments)

Cons

- ❑ Repayment period could be longer than 10 years
- ❑ More Interest could be paid over time
- ❑ Required **annual submission** of information (income, etc.) to prove continued eligibility
- ❑ Forgiven amount is taxable (except PSLF)

Non Income Driven Federal Loan Repayment Plans

14

Standard

Graduated

Extended

Repayment Estimator:

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

Federal Loan Repayment Options

15

Standard

- 10 Year Repayment Term
- Fixed monthly payment
- Automatic UNLESS changed by borrower

Graduated

- Up to 10 years
- Monthly payment increase every 2 years

Extended

- Minimum of \$30,000 federal student loan debt
- Up to 25 year repayment term
- Two types
 - **FIXED:** fixed monthly payment amount
 - **GRADUATED:** Payments increase gradually every two years

Determine Affordability

16

- Develop a budget
 - ▣ Fixed and flexible expenses
 - ▣ Estimate monthly salary
- How much can you afford?



Can I Switch Payment Plans?

17

- ☐ Short answer – Yes!
- ☐ Recommended not to switch more than once per year.

Application Process

18

- ❑ Select Plan
- ❑ Provide information about spouse, family size
- ❑ Submit additional Income Documentation

AGI

- Electronic Application
- Tax Return
- Tax Return Transcript

Alternative

- Pay stubs, unemployment benefits
- Self-certification of \$0 income
- Provide electronically only if \$0 income

Failing to Recertify Your Income

19

- ❑ May have interest capitalization (IBR, PAYE, REPAYE)
- ❑ Payment no longer income based; reverts to 10-year standard amount (ICR, IBR, PAYE)
- ❑ REPAYE – loan re-amortized over lesser of 10 years or time to forgiveness

Public Service Loan Forgiveness

20

1. **Right Type of Loans:** **FEDERAL DIRECT LOANS ONLY**
 2. **Right Type of Payment:** 120 of them
 - IBR (can also do ICR or Standard Repayment),
 - On-time monthly payments, do not need to be consecutive
 3. **Full-time Paid Work:**
 - at least 30 hours per week
 - Full-time requirement can be met between two positions
 4. **Qualifying Position:**
 - Government (except for government contractors), and
 - 501(c)(3) Nonprofit, and
 - Some others (AmeriCorps/PeaceCorp, etc.)
- **Note: Amount Forgiven is not taxable.**

Receiving Public Service Loan Forgiveness

21

1. Document, document, keep track of eligibility
2. Annually, complete the Employment Certification for Public Service Loan Forgiveness Form.
www.studentaid.ed.gov/publicservice
3. Submit form to FedLoan Servicing, the PSLF servicer.
4. After 120th payment, submit the PSLF application.
5. Remain employed in Public Service until loan is forgiven
6. Public Service Loan Forgiveness is non-taxable

Federal Loan Consolidation

22

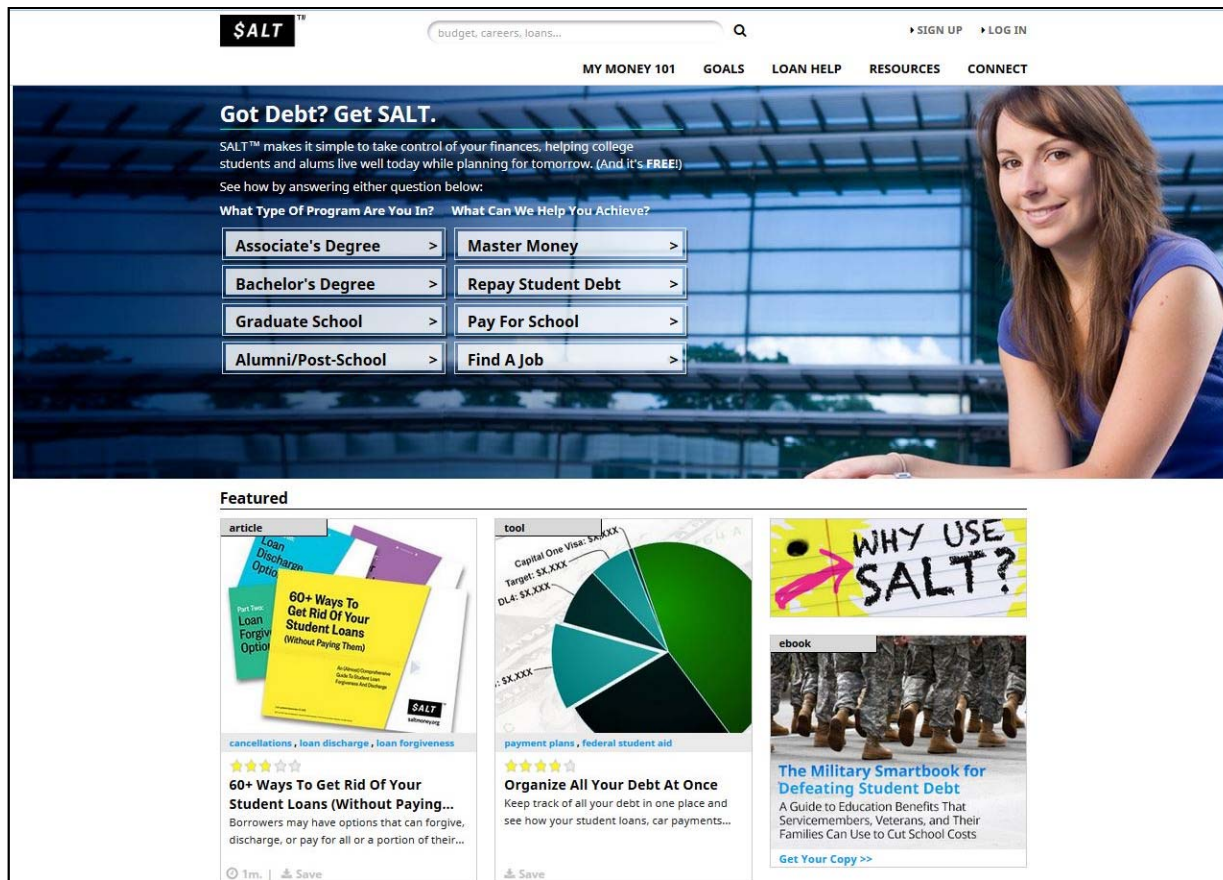
Federal Loans only: 10-30 year repayment

www.studentloans.gov

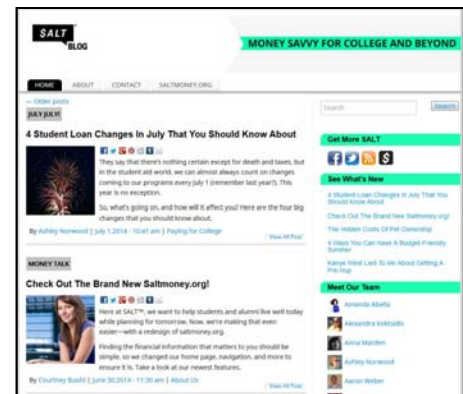
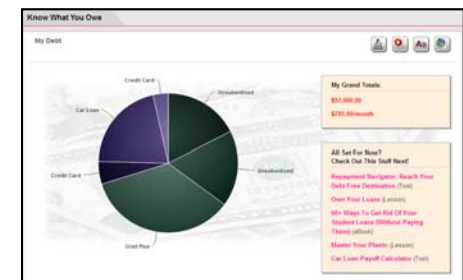
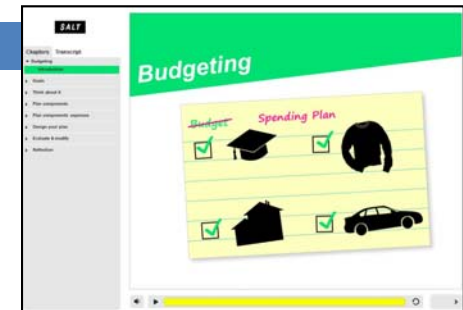
Considerations:

- ☐ Fixed Interest Rate – Weighted average, rounded up to nearest 1/8 of 1% (no cap)
- ☐ Amount of Interest Paid over Life of Loan
- ☐ Grace Period
- ☐ Perkins
- ☐ PS Loan Forgiveness??
- ☐ May Choose Servicer (PHEAA, Great Lakes, Nelnet, Sallie Mae)

SALT – WHAT IS SALT? {saltmoney.org} – an online tool that helps you track your loans and build money knowledge



The screenshot shows the SALT website homepage. At the top, there's a navigation bar with links for 'MY MONEY 101', 'GOALS', 'LOAN HELP', 'RESOURCES', and 'CONNECT'. A search bar is also present. The main heading is 'Got Debt? Get SALT.' followed by a description: 'SALT™ makes it simple to take control of your finances, helping college students and alums live well today while planning for tomorrow. (And it's FREE!)'. Below this, there's a section titled 'What Type Of Program Are You In?' and 'What Can We Help You Achieve?'. The first section has buttons for 'Associate's Degree', 'Bachelor's Degree', 'Graduate School', and 'Alumni/Post-School'. The second section has buttons for 'Master Money', 'Repay Student Debt', 'Pay For School', and 'Find A Job'. The 'Featured' section at the bottom includes an article '60+ Ways To Get Rid Of Your Student Loans (Without Paying Them)', a tool 'Organize All Your Debt At Once', and an ebook 'The Military Smartbook for Defeating Student Debt'.



This screenshot shows the SALT Blog. The header includes the SALT logo and the tagline 'MONEY SAVVY FOR COLLEGE AND BEYOND'. The main content area features a post titled '4 Student Loan Changes in July That You Should Know About' by Ashley Horwood. The post includes a summary of the changes and a link to the full article. Below the post, there's a section titled 'Check Out The Brand New Saltmoney.org!' with a link to the website. The right sidebar contains a 'Get More SALT' section with links to 'See What's New', 'Meet Our Team', and 'Follow Us'.

SALT is offered free of charge to SHU students/alumni.

SALT CREATED BY AMERICAN STUDENT ASSISTANCE

SALT - Know What You Owe

LET'S

If you've
federal
to your
ahead
informa
those lo
debt.

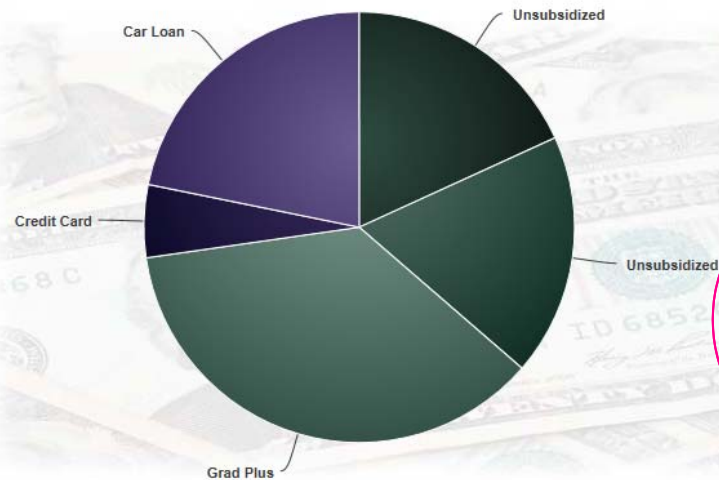
Haven't
Student
(NSLDS)
yet? No
right no
manual
private
and any

Show m

View a
my del

UPDA

My Debt



My Grand Totals:

\$55000.00

\$735.00/month

All Set For Now?
Check Out This Stuff Next!

[Repayment Navigator: Reach Your
Debt-Free Destination \(Tool\)](#)

[Own Your Loans \(Lesson\)](#)

[60+ Ways To Get Rid Of Your Student
Loans \(Without Paying Them\) \(eBook\)](#)

[Master Your Plastic \(Lesson\)](#)

[Car Loan Payoff Calculator \(Tool\)](#)

My Federal Student Loans (click on a loan to see details)

TYPE OF DEBT	NAME	BALANCE	MONTHLY PAYMENT
➔ Federal Student Loan	Unsubsidized	\$10000.00	\$100.00
➔ Federal Student Loan	Unsubsidized	\$10000.00	\$100.00
➔ Federal Student Loan	Grad Plus	\$20000.00	\$200.00

My Total Federal Student Loan Debt: \$40000.00 \$400.00/Month

My Other Debt

TYPE OF DEBT	NAME	BALANCE	MONTHLY PAYMENT
➔ Credit Card	Credit Card	\$3000.00	\$85.00
➔ Car Loan	Car Loan	\$12000.00	\$250.00

My Total Debt (Not Including My
Federal Student Loans): \$15000.00 \$335.00/Month

LOG OFF

CONNECT

Save

SALT - Loan Repayment Navigator

Checkpoint: Your Enrollment Status

Are you currently enrolled at

\$

My Loans At A Glance

least half time
your school?

Yes

No

< Back

< Start Over

below.

MASTER

Checkpoint: About Your Loans...

Knowing what your
step on your voyage
success. SALT™ can
one of the following

OPTION 1 GET YOUR REAL

SALT makes it easy
federal student loans
really get to know y

Find Y

OPTION 2 INPUT THE DATA

Add your own stud
information, or esti
you borrowed. Ente
whole dollars only.

\$

Interest Rate

6.8 %

Skip >>

Checkpoint: How's Your Loan?

I borrowed a total of: \$45000

Every month I owe: \$517

Can you afford to keep paying this amount
every month?

Yup. I can swing the payments,
but I want to know more details
about my payment plan. Learn
more about **standard**
repayment.

GO! >>

Reduce the amount I owe each
month by extending the period
of time I'll have to finish
repaying my loans with
extended repayment.

GO! >>

Reduce the amount I owe each
month for 2-4 years, before
gradually increasing my
payments with **graduated**
repayment.

GO! >>

Make my monthly payments
more affordable by aligning
them with my income with
income-focused options.

GO! >>

Combine my federal loans into
one larger loan, so I only have
to pay one bill every month
with **consolidation**.

GO! >>

Put my loan payments on hold,
temporarily.

GO! >>

USING STANDARD REPAYMENT

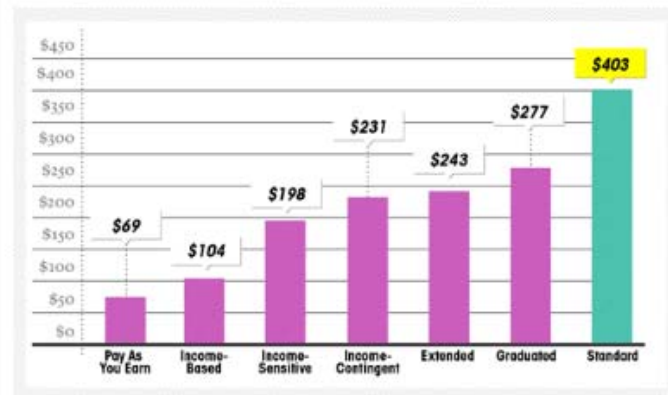
When your grace period runs out, you are
automatically enrolled in standard repayment.
Unless you choose a different repayment
plan, you'll make the same monthly payment
for the next 10 years (120 payments in total).

WHAT YOU'LL LEARN

- Advantages of the basic, normal plan
- What to do if you need lower payment

Stacking it up

Your monthly payment.



Depending on your financial circumstances and repayment plan, your monthly payments
go up over time. The repayment period will vary for each repayment plan. To find out
long you will be making payments under this repayment plan and how we came up with
these numbers, [check out the bottom of the page](#).

The Basics

- You are automatically placed into standard repayment once you finish your grace period.
- Repayment lasts 10 years, or 120 payments.
- While you may have a higher payment amount, standard repayment generally costs you the
amount of money in the long run.

See All Repayment Info	
Student Loan Repayment Plans	
Standard Repayment	VISITED
Extended Repayment	VISITED
Graduated Repayment	VISITED
Income-Based Repayment	GO NOW
Income-Sensitive Repayment	GO NOW
Income-Contingent Repayment	GO NOW
Consolidation	VISITED
Postponing Student Loan Payments	
In-School Deferment	GO NOW
Education Related Deferment	GO NOW
Summer Bridge Deferment	GO NOW
Perkins Loans Deferment	GO NOW
Rehabilitation Training Deferment	GO NOW
Plus Loan Post Enrollment Deferment	GO NOW
Unemployment Deferment	GO NOW
Economic Hardship Deferment	GO NOW
Military Deferment	GO NOW
Peace Corps Deferment	GO NOW
Post Active Duty Deferment	GO NOW
Student Loan Forgiveness And Discharge	
Education	VISITED
Healthcare	VISITED
Military	GO NOW
Public Service or Government	VISITED
STEM Career Field	GO NOW
Serious Life Events	GO NOW
Default And Delinquency	
Default	GO NOW
Delinquency	VISITED

SALT - Learn Stuff {on your own time}

SALT™

budget, careers, loans...

MY MONEY 101 GOALS

Got Debt? Get SALT.

SALT™ makes it simple to take control of your finances, helping college students and alums live well today while planning for tomorrow. (And it's **FREE!**)

See how by answering either question below:

What Type Of Program Are You In?	What Can We Help You Achieve?
Associate's Degree >	Master Money >
Bachelor's Degree >	Repay Student Debt >
Graduate School >	Pay For School >
Alumni/Post-School >	Find A Job >

FIND EVEN MORE MONEY WITH MY MONEY 101

These interactive money lessons help you take control of your finances and student loans.

[Go To My Money 101 >>](#)

WHAT IS MY MONEY 101?

How do you choose the right bank or credit union for you?

How can your credit score keep you from getting hired at a new job?

When is student loan deferment a good idea?

Unfortunately, they don't teach this stuff in college. But your school or organization wants you to be money savvy, so they asked us to teach you these things, and more. My Money 101™ is a series of interactive money lessons about things like budgeting, identity theft, student loans, and more.

They handpicked your available lessons—so you'll be able to borrow smart to pay for college and find more money for life—and they include.

- Fundamentals
- Educational Planning
- Internships, Incomes, and Careers
- Employment
- Money Management
- Budgeting
- Student Loans
- Student Loan Repayment
- Credit and Debt Management
- Saving and Investing
- Risk Management
- Taxes

SALT CREATED BY AMERICAN STUDENT ASSISTANCE

Checklist

27

1. Know what loans you have borrowed
(www.nslds.ed.gov)
2. Create an account with your Loan Servicer
3. Complete Student Loan Exit Counseling
(www.studentloans.gov)
4. Determine if you need funding for Bar Expenses
5. Create a SALT account (Saltmoney.org/shulaw)
6. Private Loan Borrowers – Contact your Lender

Recap/ Resources

28

nslds.ed.gov

[Saltmoney.org](https://saltmoney.org)

www.ibrinfo.org

<http://go.use.gov/cu8av> - blog on choosing IDR plans

www.studentloans.gov

www.studentaid.gov

www.studentaid.gov/publicservice

www.annualcreditreport.com

Questions?

29

- Stop by to make an appointment to discuss your personal situation
- Karen Sokol
- Cassandra Hunter

973-642-8850

Law_financial@shu.edu