Borrower Repayment Options

So many options, so little information
Borrower Repayment Options

• Program Options offer borrowers more ways to manage their loans.
• Common when borrowers experience payment difficulty.
• They don’t know what they don’t know

Repayment
Can you set me up on some type of payment plan?

Standard Repayment Plans
➢ Monthly payment controlled by loan balance, interest rate, term.
➢ System will display available plans and monthly payment estimates to help guide discussion.

Income Driven Repayment
➢ Monthly payment controlled by additional factors, such as family size and income.
➢ System tools allow you to generate monthly payment estimates after gathering customer information.
Repayment
Questions to ask?

**Standard Repayment Plans**
- How much can you comfortably afford on a monthly basis?
- Does that monthly payment work for your budget?
- When can you start making monthly payments?

**Income Driven Repayment**
- Do you earn taxable income?
- Are you single or married?
- Do you have any children or other dependent?
- What is your adjusted gross income?

Postponement
Any chance you can put my payments on hold?

**Deferment**
- Temporary postponement of payments
- Interest subsidies may apply, reducing potential cost

**Forbearance**
- Temporary postponement of payments
- No subsidies to reduce potential cost
Postponement
FSA guidance due to COVID-19

Automatic Suspension of Monthly Payments as a Result of the COVID-19 Emergency
To provide relief to student loan borrowers during the COVID-19 emergency, federal student loan borrowers were automatically placed in an administrative forbearance, which allows you to temporarily stop making your monthly loan payments. This suspension of payments will last from March 13, 2020, through at least Sept. 30, 2021, but you can still make payments if you choose.

Program Options
You advise, the Borrower decides
Eligible Borrowers
All Borrowers

Monthly Payment/Timeframe
- Fixed Amount for 10 years
- Up to 30 years

Eligible Loans
- All Direct
- FFEL
- PLUS
- Consolidation

Good to Know:
- You’ll usually pay less over time than other plans
- Not a good option for Public Service Loan Forgiveness
- Not a qualifying plan for PSLF for Consolidation Loans
Graduated Repayment Plan

**Eligible Borrowers**
- All Borrowers

**Eligible Loans**
- All Direct
- FFEL
- PLUS
- Consolidation

**Monthly Payment/Timeframe**
Lower payments at first and increase, usually every two years. 10 year repayment, up to 30 years with Consol.

**Good to Know:**
- You’ll pay more over time than under standard 10 year plan
- Generally not a qualifying plan for PSLF
- Payment will never be less than the amount of interest accrued

<table>
<thead>
<tr>
<th>Total Loan Debt</th>
<th>Repayment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$7,500</td>
<td>10 years</td>
</tr>
<tr>
<td>$7,500-$10,000</td>
<td>12 years</td>
</tr>
<tr>
<td>$10,000-$20,000</td>
<td>15 years</td>
</tr>
<tr>
<td>$20,000-$40,000</td>
<td>20 years</td>
</tr>
<tr>
<td>$40,000-$60,000</td>
<td>25 years</td>
</tr>
<tr>
<td>$60,000 or more</td>
<td>30 years</td>
</tr>
</tbody>
</table>
Eligible Borrowers
- Direct Loan Borrowers
- More than $30K outstanding

Eligible Loans
- All Direct
- FFEL
- PLUS
- Consolidation

Monthly Payment/Timeframe
- Payments may be fixed or graduated and will ensure loans are paid off within 25 years

Good to Know:
- Monthly payments will be lower than 10 yr Standard or Graduated plans
- Pay more over time than 10 yr Standard Plan
- Not a qualifying payment for PSLF
- Can’t use for a combination of FFEL and DL loans. If using for DL, can’t have a balance as of Oct 7, 1998
Eligible Borrowers:
Any DL borrower with an eligible loan type

Monthly Payment/TimeFrame
- Monthly payment will be 10% discretionary income
- Recalculated each year based on income and family size
- If married, both incomes will count
- Any outstanding balance after 20 years will be forgiven

Eligible Loans:
Direct Sub and Unsub and Consol
Grad PLUS loans made to student

Good to Know:
- You’ll usually pay more over time than under 10 yr standard
- May have to pay income tax on any amount forgiven
- Good option for those seeking PSLF
Eligible Borrowers:
New borrower on or after Oct. 1, 2007
AND received disbursement of DL on or after Oct. 1, 2011

Monthly Payment/TimeFrame
- Monthly payment will be 10% discretionary income
- Recalculated each year based on income and family size
- If married, both incomes will count
- Any outstanding balance after 20 years will be forgiven

Pay as You Earn Repayment Plan (PAYE)

Eligible Loans:
Direct Sub and Unsub and Consol
Grad PLUS loans made to student

Good to Know:
- You must have high debt relative to income
- Payment will never be more than the 10 yr Standard
- May have to pay income tax on any amount forgiven
- Good option for those seeking PSLF
Eligible Borrowers:
Must have high debt relative to income

Monthly Payment/TimeFrame
- Monthly payment will be 10% or 15% of discretionary income
- Recalculated each year based on income and family size
- Must update income and family size each year
- Spouse income counts only if file taxes jointly
- Any outstanding balance after 20 years will be forgiven

Eligible Loans:
DL and FFEL loans including PLUS not made to parents

Good to Know:
- You’ll usually pay more over time than 10 yr Standard
- Payment will never be more than the 10 yr Standard
- May have to pay income tax on any amount forgiven
- Good option for those seeking PSLF
Income-Contingent Repayment Plan (ICR)

**Eligible Borrowers:**
Any DL Borrower

**Monthly Payment/Timeframe**
- 20% of discretionary income OR
- Based on a 12 year repayment plan adjusted for income
- Payments recalculated based on income, family, loans
- Spouse income counts only if file taxes jointly
- Any outstanding balance after 25 years will be forgiven

**Eligible Loans:**
DL and FFEL loans including PLUS not made to parents

**Good to Know:**
- You’ll usually pay more over time than 10 yr Standard
- May have to pay income tax on any amount forgiven
- Good option for those seeking PSLF
- Parent borrowers can access this plan by consolidating their Parent PLUS Loans into a DL Consolidation Loan
Income-Sensitive Repayment Plan

Eligible Borrowers:

FFEL program loans that are not eligible for PSLF

Monthly Payment/TimeFrame

- Based on annual income but your loan will be paid in 15 yrs
- Pay more over time
- Formula can vary by lender

Loan Forgiveness and Discharge
Loan Forgiveness

• Public Service Loan Forgiveness
  – Only for DL Loans
  – Employed by gov’t or non-profit organization
    • 120 qualifying monthly payments
    • Work full time for qualified Employer
    • Forgiven balance is taxable

Loan Forgiveness

• Teacher Loan Forgiveness
  – DL and FFEL Loans
  – Full time for 5 consecutive academic years
    • Low income elementary, secondary or educations service
    • Up to $17,500 forgiven
Loan Discharge

- Closed School Discharge
  - DL and FFEL and Perkins Loans
  - If school closes while attending or soon after withdrawal
- Perkins Loan Cancellation and Discharge
  - Perkins Loans
  - Eligible employment or volunteerism (teaching)

*Discharge due to school certification/eligibility error

Loan Discharge

- Total and Permanent Disability Discharge
- Discharge Due to Death
- Discharge in Bankruptcy (rare)
- Borrower Defense to Repayment *
- False Certification Discharge *
- Unpaid Refund Discharge *
  
  *Discharge due to school certification/eligibility error
SCAMS

CAUTION

“Loan Forgiveness” Ads

Where to go with Questions

Private Loan Processing. Simplified.
## Loan Servicers

<table>
<thead>
<tr>
<th>Loan Servicer</th>
<th>Contact</th>
</tr>
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<tbody>
<tr>
<td>FedLoan Servicing (PHEAA)</td>
<td>1-800-699-2908</td>
</tr>
<tr>
<td>Granite State – GSMR</td>
<td>1-888-556-0022</td>
</tr>
<tr>
<td>Great Lakes Educational Loan Services, Inc.</td>
<td>1-800-236-4300</td>
</tr>
<tr>
<td>HESC/Edfinancial</td>
<td>1-855-337-6884</td>
</tr>
<tr>
<td>MOHELA</td>
<td>1-888-866-4152</td>
</tr>
<tr>
<td>Navient</td>
<td>1-800-722-1300</td>
</tr>
<tr>
<td>Nelnet</td>
<td>1-888-486-4722</td>
</tr>
<tr>
<td>OSLA Servicing</td>
<td>1-866-264-9762</td>
</tr>
<tr>
<td>ECSI</td>
<td>1-866-313-3797</td>
</tr>
<tr>
<td>Default Resolution Group (also known as Maximus Federal Services, Inc.)</td>
<td>1-800-621-3115 (TTY: 1-877-825-9923 for the deaf or hard of hearing)</td>
</tr>
</tbody>
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## Helpful Links

- [https://studentaid.gov/manage-loans/lower-payments](https://studentaid.gov/manage-loans/lower-payments)
- [https://studentaid.gov/manage-loans/forgiveness-cancellation](https://studentaid.gov/manage-loans/forgiveness-cancellation)
- [www.mygreatlakes.org](http://www.mygreatlakes.org)
- Loan Servicer websites
Questions??