A guide to repaying your student loans

September 13, 2019
Housekeeping

- This webinar is being recorded
- Copy of the slide deck will be available on our FOC website (http://www.FOC-Network.com/)
- All lines have been muted to reduce background noise
- We will take questions at the end but please write your questions into the chat box throughout the webinar
- Send any unanswered questions to your local program officer
Introductions

Casey Galindo
Market Relationship Manager
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Casey Galindo serves as market relationship manager for Wells Fargo’s Education Financial Services and currently manages business relationships in central and south Texas and northern and central California. Before joining Wells Fargo in 2004, Casey began her career at St. Mary’s University Office of Financial Assistance. In her role as senior assistant director, she was responsible for managing the state grant and student loan programs and advising prospective and current students and parents on how to pay for college. Casey holds a Bachelor of Business Administration in Accounting and a Master’s in Business Administration from St. Mary’s University in San Antonio, TX.
Agenda

- What to expect
- Repayment plans and options
- Student loan consolidation options
- Additional resources
- Questions
What to expect
What to expect

Repayment begins when you:

- Graduate
- Leave school
- Drop below half-time enrollment
Borrower Responsibilities

- Repaying your student loan(s) as agreed
- Repaying your loan even if a bill is not sent
- Opening and reading mail and email related to your student loan(s)
- Keeping your servicer or loan provider informed
Repayment: When is my first payment due?

Federal Direct and most private loans

- Six months after graduating
- Six months from dropping below the half-time enrollment
- Six months from leaving school

Federal Perkins Loan

- Nine months after graduating
- Nine months from dropping below the half-time attendance mark
- Nine months from leaving school

Federal parent and graduate PLUS loans

- After loan is fully disbursed (parent PLUS loans)
- For graduate PLUS loan borrowers, repayment begins:
  - Six months after you graduate
  - Six months from dropping below half-time enrollment
  - Six months from leaving school
Making your loan payments

Before your loan enters repayment you should be contacted by your lender or loan servicer.

• **US Department of Education loan payments** are submitted to the loan servicer

• **Perkins loan payments** are submitted to the school or the school’s loan servicer

• **Private student loan payments** are submitted to the bank or the lender’s loan servicer
Finding your loan servicer

NSLDS.ed.gov

National Student Loan Data System

What information is available?

- Loan servicer name and contact information
- Federal loans and grants
- Loan details
- Common financial aid questions and answers
- Glossary of terms
Student loan postponement and repayment
Student loan postponement options

Note: some loans require immediate repayment once the loan is taken out. Check with your loan provider on the repayment terms for your particular loan.

- **Grace period:** set period of time after you graduate, leave school, or drop below half-time enrollment before you must begin repaying your loan balance.

- **Deferment:** period in which a repayment of the principal and interest of your loan is temporarily postponed.

- **Forbearance:** period of time where you may be able to stop making payments or reduce your monthly payment for a limited time. Interest will continue to accrue on your loan.
Repayment options vary by type of loan program

- **Direct subsidized and unsubsidized loans**
  - Standard Repayment plan
  - Graduated Repayment plan
  - Extended Repayment plan
  - Income Based Repayment plans
  - Income-Sensitive Repayment plan (FFELP loans)

- **Federal parent and graduate PLUS loans**
  - Standard Repayment plan
  - Graduated Repayment plan
  - Extended Repayment plan
  - Income Based Repayment plans (loans made to students)
  - Income-Sensitive Repayment plan (FFELP loans)

- **Private Student Loans**
  - Contact your loan provider or servicer for information about repayment plan options

- **Federal Perkins Loan**
  - Contact your loan provider or servicer for information about repayment plan options
Federal student loan repayment options

- Keep in mind: If you do not select a repayment plan, your loan servicer may place you in a standard repayment plan.
- Remember: If your financial situation changes, you may be able to select a different repayment plan. Contact your loan servicer for more information.

- **Standard Repayment Plan**
  - Fixed monthly payments over a 10 year
  - Direct Subsidized and Unsubsidized Loans
  - Subsidized and Unsubsidized Federal Loans
  - All PLUS loans
  - All consolidation loans (Direct and FFEL)

- **Graduated Repayment Plan**
  - Lower initial monthly payments, increasing overtime, up to 10 years
  - Direct Subsidized and Unsubsidized Loans
  - Subsidized and Unsubsidized Federal Loans
  - All PLUS loans
  - All consolidation loans (Direct and FFEL)

- **Extended Repayment Plan**
  - Generally lower monthly or graduated payment for up to 25 years
  - Direct Subsidized and Unsubsidized Loans
  - Subsidized and Unsubsidized Federal Loans
  - All PLUS loans
  - All consolidation loans (Direct and FFEL)
Federal student loan income-based options

**Income-Sensitive Repayment Plan**
- Federal Family Education Loan program (FFEL)

**Income-Contingent Repayment Plan**
- Direct Subsidized and Unsubsidized Loans
- Direct PLUS loans made to students
- Direct Consolidation Loans

**Income-Based Repayment Plan (IBR)**
- Direct Subsidized and Unsubsidized Loans
- Subsidized and Unsubsidized Federal Loans
- All PLUS loans made to students
- Consolidation Loans (Direct and FFEL) Do not include PLUS loans made to parents (Direct and FFEL)

**Pay As Your Earn Repayment Plan (PAYE)**
- Direct Subsidized and Unsubsidized Loans
- Direct PLUS loans made to students
- Direct Consolidation Loans that do not include (Direct and FFEL) PLUS loans made to parents

**Revised Pay As You Earn Repayment Plan (REPAYE)**
- Direct Subsidized and Unsubsidized Loans
- Direct PLUS loans made to students
- Direct Consolidation Loans that do not include (Direct and FFEL) PLUS loans made to parents

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*If you are interested in Public Loan Forgiveness, contact your loan servicer*
Private student loan repayment options and features

- May range from 5 to 20 years depending on the lender and program of study
- Usually 6 month grace period
- Limited deferment
- In-school repayment option
- Certain loan types require immediate repayment
- Some lenders offer a loan modification program
Private student loan repayment options and features

- **Find your loan servicer using the National Student Loan Data System at nslds.ed.gov.**
  
  Here you’ll find:
  - Loan servicer name and contact information
  - Your federal loans and grants
  - Loan details
  - Common financial aid questions and answers
  - Glossary of terms

- **Stay in touch with your loan servicer or loan provider.**

- **For more information about federal loan repayment options:**
  - Visit studentaid.ed.gov
  - Log into My Federal Student Aid
Student loan refinancing and consolidation
What to consider when refinancing/consolidating

- Why are you refinancing/consolidating your student loans?
- What types of loans may be refinanced/consolidated?
- When to consider refinancing/consolidating your loans?
- How does refinancing/consolidation change the terms of your loans?
- What is the interest rate on refinancing/consolidating loans?

There are three types of refinancing and consolidation programs for student loans.
Student loan consolidation

Federal Direct Consolidation Loan

- Consolidation of federal student loans only
- Possibly reduces multiple payments down to one
- No application fee
- May lower your monthly payment
- May extend your payment period
- May lose borrower benefits associated with original loans

Visit studentaid.ed.gov/sa/repay-loans/consolidation
Student loan consolidation

Private student loan consolidation (federal and private only)

- Offered through private institutions, such as a bank
- Possibly refinance one or consolidate federal and private student loans from a variety of lenders into a single new loan
- May lower your monthly payment
- May extend your payment period – you may pay more in interest
- Consolidation/refinance loan features may vary by lender
- May lose borrower benefits associated with original loans

Private student loan consolidation (private only)

- Offered through private institutions, such as a bank
- Possibly refinance one or consolidate multiple private student loans from a variety of lenders into a single new loan
- May lower your monthly payment
- May extend your payment period – you may pay more in interest
- Consolidation/refinance loan features may vary by lender
- May lose borrower benefits associated with original loans
Additional Resources

- Go College! Now is an innovative platform that helps first generation students and families gain access to resources that help them navigate through the college planning and funding process. Visit at [gocollegenow.org](http://gocollegenow.org) to watch the film, take the pledge, and find resources to help with college planning.

- Visit the National Student Loan Data System (NSLDS) at [NSLDS.ed.gov](http://NSLDS.ed.gov) for a centralized, integrated view of Title IV loans and grants.

- Federal Student Aid, a part of the U.S. Department of Education, is the largest provider of student financial aid in the nation. Visit [studentaid.ed.gov](http://studentaid.ed.gov) for information about how to repay federal student loans including:
  - List of federal loan servicers
  - Federal Direct Consolidation Loan
  - Federal repayment plan options
  - Federal Deferment and Forbearance options
  - Forgiveness, Cancellation, and Discharge for federal loans
  - Understanding delinquency and default
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https://handsonbanking.org  https://elfuturoentusmanos.org
Student loans: where to find them and how to repay
Upcoming Webinars

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9/25
Student Loan Repayment Counseling

10/9
Basics of the Credit Score

10/24
How Lenders Make Decisions

11/7
Financial Technology (FinTech)
Thank you!