Graduating with Student Loans
What do I need to know?

Agenda

Where are my loans & when do I repay?

What repayment plans are available?

What if I need to postpone repayment?

What about loan cancellation?

Next Steps
Where are my loans?

- **Private Loans**
  - Bank or other servicer

- **Perkins & Institutional Loans**
  - Brown University Loan Office

- **Direct Subsidized, Unsubsidized, PLUS**
  - Federal loan servicer
TO GET INFO & ANSWERS

Loan Office (401) 863-3296
http://www.brown.edu/loanoffice

TO MAKE ONLINE PAYMENTS

Heartland ECSI = vendor for online access
https://heartland.ecsi.net/Index.html
Always call us - Loan Office (401) 863-3296
When do I repay?

- Enter grace period when enrollment ends
  - No interest during grace & no prepayment penalty

- Repayment begins
  - Brown U Institutional Loans: January 1, 2019 (grace period 6 months)
  - Federal Perkins Loan: April 1, 2019 (grace period 9 months)
  - Federal PCL & LDS Loans: July 1, 2019 (grace period 12 months)
  - Only 1 repayment plan, Standard up to 10 years (Perkins can be consolidated)

- Manage & repay loans online: [https://heartland.ecsi.net/Index.html](https://heartland.ecsi.net/Index.html)
  - IMPORTANT: Will lose access to your Brown Gmail. Use personal email address when creating account, not Brown email
Direct Subsidized, Unsubsidized, PLUS

TO GET INFO
https://www.nslds.ed.gov
Lists your federal loans & loan servicers

TO MAKE ONLINE PAYMENTS
Your federal servicer’s website
When do I repay?

• Enter grace period when enrollment ends
  • Direct Unsubsidized & PLUS – interest has been accruing since the loan was disbursed. Can be paid during grace period

• Repayment begins: December 2018 (grace period 6 months)
  • Choice of repayment plan, determines amount & length of repayment term

• Manage & repay online with your federal loan servicer
Agenda

Where are my loans & when do I repay?

What repayment plans are available?
Repayment Plans

• **Perkins Loans**
  • Standard plan only, fixed monthly amount, up to 10 yrs to repay
  • Monthly payment amount will be provided during online exit counseling
  • Eligible for Direct Loan Consolidation (combines Perkins & Direct into 1 new loan)
    • Simplifies repayment & offers different choices of repayment plans

• **Institutional Loans**
  • Standard plan only, fixed monthly amount, up to 10 yrs to repay
  • Monthly payment amount will be provided during online exit counseling
  • Not eligible for Direct Loan consolidation

• Learn more at [https://www.brown.edu/about/administration/loans/servicers-making-payments](https://www.brown.edu/about/administration/loans/servicers-making-payments)
Repayment Plans

- **Direct Loans**
  - Standard – fixed monthly payment, up to 10 yrs to repay
  - Graduated – payments increase every 2 yrs, up to 10 yrs to repay
  - Extended – fixed or graduated payments, up to 25 yrs to repay, must have at least $30K in Direct Loans

- 4 different “Income Driven” plans – based on your annual income, up to 20 or 25 yrs to repay, forgiveness of remaining balance at end of repayment
  - Revised Pay As You Earn (REPAYE)
  - Pay As You Earn (PAYE)
  - Income Based (IBR)
  - Income Contingent (ICR)

Repayment Plans

StudentAid.gov Repayment Estimator
To compare plans & calculate your estimated monthly payment amount under each plan
# Repayment Plans

<table>
<thead>
<tr>
<th>Plan</th>
<th>Monthly Payment Range</th>
<th>Total Payment Over Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$415 - $415/month</td>
<td>$49,746 over 120 months</td>
</tr>
<tr>
<td>Graduated</td>
<td>$233 - $700/month</td>
<td>$52,213 over 120 months</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>$222 - $222/month</td>
<td>$66,700 over 300 months</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>$150 - $378/month</td>
<td>$72,929 over 300 months</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>$141 - $501/month</td>
<td>$65,424 over 231 months</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$141 - $415/month</td>
<td>$65,605 over 235 months</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$211 - $415/month</td>
<td>$56,352 over 170 months</td>
</tr>
<tr>
<td>IBR for New Borrowers</td>
<td>$141 - $415/month</td>
<td>$65,605 over 235 months</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>$290 - $343/month</td>
<td>$55,208 over 176 months</td>
</tr>
</tbody>
</table>

**SAMPLE INFO:** Based on $40K loans, 4.5% interest, $35K income.

**StudentLoans.gov Repayment Estimator**

<table>
<thead>
<tr>
<th>Revised Pay As You Earn (REPAYE)</th>
<th>$141 - $501/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>You will pay a total of $65,424</td>
<td></td>
</tr>
<tr>
<td>over 231 months</td>
<td></td>
</tr>
</tbody>
</table>

- **First Monthly Payment:** $141
- **Last Monthly Payment:** $501
- **Total Amount Paid:** $65,424
- **Projected Loan Forgiveness:** $0
- **Repayment Period:** 231 months

More Information 📝
Choosing a plan

- What fits your budget & goals may be different than your friends (that’s OK!)
- Upcoming changes to your budget & other financial commitments
- Consider the total cost of each plan (principal & interest)
- Length of repayment impacts amount of interest that accrues (longer = more interest)

- Income driven plans
  - MUST submit annual income documentation
  - Payments are recalculated annually, making exact cost difficult to forecast
  - Forgiven amount can be considered taxable income

What do I need to know?

Where are my loans & when do I repay?

What repayment plans are available?

What if I need to postpone repayment?
Postpone Repayment

• Deferment
  – Temporarily postpone payments
  – Interest stops accruing on most loans; only continues to accrue on Unsubsidized Direct Loans
  – Common types of deferment: residency, in-school, unemployment
  – Each type of deferment has specific eligibility criteria & specific maximum length of time

• Forbearance
  – Temporarily reduce payments
  – Interest continues to accrue on all loans
  – Does not have specific eligibility criteria – can be used for any financial difficulty
  – Maximum of 36 months
Postpone Repayment

• BOTH Deferment & Forbearance
  – Each type of loan offers different options for deferment & forbearance. View details at https://www.brown.edu/about/administration/loans/repay-your-loans/deferment-forbearance
  – Optional, must apply with each loan servicer
  – You can choose which loans to keep in repayment versus deferment/forbearance
  – Can only be processed for a maximum of 12 months at a time
  – Must re-apply to extend length of time
  – Can help you keep loans current during financial difficulty

• Before you apply
  – Can you lower monthly payments by consolidating or changing repayment plan? Staying in repayment helps you work toward loan forgiveness under Income Driven plans
# Postpone Repayment

A list of deferments by loan type & links to online forms.

**In-School Deferment**

**Brown University Institutional Loan Programs**

- All Brown University Institutional Loan programs: A borrower enrolled at least half-time at an eligible institution may defer repayment. Your school will need to complete a portion of this form.

(Note: LDS or PCL require full-time enrollment for student deferment.)

Deferment Application - Brown institutional Loans ONLY

**Federal Perkins Loans**

- Federal Perkins Loan: A borrower enrolled at least half-time at an eligible institution may defer repayment. Your school will need to complete a portion of this form.

Federal In-School Deferment Form OMB 1845-0011

Obtain the Federal form from your federal loan servicer.

**Internship / Residency Deferment**

- Casperson, Kaplan, Medical, Plitt/Anderson, or Tarandi Loans: Up to three years on loans disbursed during or after the 2005/2006 academic year.

- Ellwood Loans: Up to three years on loans disbursed during or after the 2011/2012 academic year.

- LDS or PCL Loans: Up to three years for borrowers pursuing advanced professional training in primary care, including internships and residencies.

Your residency program MUST complete a portion of this form.

Residency Deferment Application

- Federal Perkins Loans do not offer this deferment - you may apply for forbearance instead

- Federal Direct Loans do not offer this deferment - you may apply for forbearance instead

Obtain the Federal form from your federal loan servicer.
Agenda

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What about loan cancellation?
Cancellation

Common types of cancellation

- Direct Loans
  - Public Service Loan Forgiveness (PSLF) [MyFedLoan.org/PSLF](https://www.myfedloan.org/pslf)
  - Teacher Cancellation

- Perkins Loans
  - Teacher Cancellation

Agenda

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Next Steps
What should I do next?

1. Think about your budget, financial goals, & plans after Brown
   - Calculate your estimated monthly payments: https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action
   - Estimate payroll deductions: www.surepayroll.com/calculator/calc_paycheck_netpay.asp
   - Free copy of credit report: www.annualcreditreport.com
   - Credit score & Personal Finance: www.myfico.com
   - Budgeting: www.xpenser.com or www.mint.com
What should I do next?

2. Complete all exit counseling requirements between April 23rd & May 4th
   • All done online
   • Separate requirement for each type of loan borrowed
   • Must complete in order to get diploma or transcripts
   • Will need FSA ID user name & password – gather them now
   • Will learn a LOT, if you take your time
   • Watch for emails from loans@brown.edu with detailed instructions
Next Steps

What should I do next?

3. Get to know your servicers & let them help you
   • Open the emails & letters from your servicers!
   • Set up online account access
   • List your personal email, new address & phone
Next Steps

What should I do next?

4. Choose options that work best for you. YOU are in charge of your success!
   • Select a repayment plan [https://studentaid.ed.gov/sa/repay-loans/understand/plans](https://studentaid.ed.gov/sa/repay-loans/understand/plans)
   • Apply for deferment or forbearance if needed [https://www.brown.edu/about/administration/loans/repay-your-loans/deferment-forbearance](https://www.brown.edu/about/administration/loans/repay-your-loans/deferment-forbearance)
   • Know which cancellation options apply to your loans [https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/charts](https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/charts)
Contact us with questions!