loan exit counseling
Today’s Agenda

• Types of loans
• Managing your loans
• Loan Forgiveness/Cancellation
• Debt Management Resources
know your loans
Types of Loans

• Federal Stafford Loan
• Federal PLUS (Graduate & Parent)
• Federal Perkins Loan
• Nursing/Primary Care
• Duke Educational Loans
• Private/Alternative Loans
Federal Student Loan Programs

**FFELP**
Federal Loan originated with a private lender

**PUT**
FFELP Loan sold to the Dept. of Education

**DIRECT**
Federal loan originated and serviced by the Dept. of Education
# Loan Terms

<table>
<thead>
<tr>
<th></th>
<th>Stafford</th>
<th>PLUS</th>
<th>Perkins</th>
<th>NFLP</th>
<th>Duke</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Rate</strong></td>
<td>3.4% - 6.8%, Fixed</td>
<td>8.5% or 7.9%, Fixed</td>
<td>5%, Fixed</td>
<td>3% - prevailing market rate</td>
<td>Fixed</td>
<td>Variable</td>
</tr>
<tr>
<td><strong>Interest Accrual while in School</strong></td>
<td>Sub- No Unsub - Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Grace Period after Graduation</strong></td>
<td>6 mo. (available upon request)</td>
<td>6 mo.</td>
<td>9 mo.</td>
<td>9 mo.</td>
<td>6 mo.</td>
<td>Depends on the loan</td>
</tr>
<tr>
<td><strong>Lender</strong></td>
<td>Private or US Govt.</td>
<td>Private or US Govt.</td>
<td>Duke &amp; US Govt.</td>
<td>Duke &amp; HRSA</td>
<td>Duke</td>
<td>Private</td>
</tr>
</tbody>
</table>
Stafford Loans disbursed after July 1, 2012...

- Graduate and professional students are no longer eligible to receive subsidized Stafford loans.

- Undergraduate student loans accrue interest during grace.
managing your loans to avoid default
Managing Your Loans

1. Where is my loan and what is my payment amount?

2. What is consolidation?

3. What repayment plan is right for me?

4. Practicing good financial habits – where do I start?
NSLDS
National Student Loan Data System

Who is my servicer?
When will I need to start making payments?
How much do I owe?
Authorization

Loans

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Loan Amount</th>
<th>Loan Date</th>
<th>Disbursed Amount</th>
<th>Cancelled Amount</th>
<th>Outstanding Principal</th>
<th>Outstanding Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT STAFFORD UNSUBSIDIZED</td>
<td>$17,000</td>
<td>08/17/2012</td>
<td>$17,000</td>
<td>$0</td>
<td>$17,000</td>
<td>$142</td>
</tr>
<tr>
<td>DIRECT STAFFORD UNSUBSIDED</td>
<td>$12,000</td>
<td>03/19/2011</td>
<td>$12,000</td>
<td>$0</td>
<td>$12,000</td>
<td>$700</td>
</tr>
<tr>
<td>DIRECT STAFFORD SUBSIDED</td>
<td>$8,500</td>
<td>08/19/2011</td>
<td>$8,500</td>
<td>$0</td>
<td>$8,500</td>
<td>$0</td>
</tr>
<tr>
<td>DIRECT PLUS GRADUATE</td>
<td>$10,000</td>
<td>08/19/2011</td>
<td>$10,000</td>
<td>$0</td>
<td>$10,000</td>
<td>$735</td>
</tr>
<tr>
<td>DIRECT PLUS GRADUATE</td>
<td>$10,000</td>
<td>08/20/2010</td>
<td>$9,025</td>
<td>$185</td>
<td>$9,021</td>
<td>$1,147</td>
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<tr>
<td>DIRECT STAFFORD SUBSIDED</td>
<td>$12,000</td>
<td>08/20/2010</td>
<td>$12,000</td>
<td>$0</td>
<td>$12,000</td>
<td>$1,487</td>
</tr>
<tr>
<td>DIRECT STAFFORD SUBSIDED</td>
<td>$8,500</td>
<td>08/20/2010</td>
<td>$8,500</td>
<td>$0</td>
<td>$8,459</td>
<td>$0</td>
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<tr>
<td>Total DIRECT STAFFORD UNSUBSIDED</td>
<td>$41,000</td>
<td></td>
<td></td>
<td></td>
<td>$41,000</td>
<td>$2,389</td>
</tr>
<tr>
<td>Total DIRECT STAFFORD SUBSIDED</td>
<td>$16,999</td>
<td></td>
<td></td>
<td></td>
<td>$16,999</td>
<td>$0</td>
</tr>
<tr>
<td>Total DIRECT PLUS GRADUATE</td>
<td>$18,831</td>
<td></td>
<td></td>
<td></td>
<td>$18,831</td>
<td>$2,152</td>
</tr>
<tr>
<td>Total All Loans</td>
<td>$77,830</td>
<td></td>
<td></td>
<td></td>
<td>$77,830</td>
<td>$4,541</td>
</tr>
</tbody>
</table>
Detail Loan Information for  Mark Martin

Your enrollment status is **FULL TIME**, effective 08/30/2010.

**Type of Loan:** DIRECT STAFFORD UNSUBSIDIZED

Loan obtained while attending the **DUKE UNIVERSITY**

Scheduled Start of Repayment: 07/01/2013
Loan Period Begin Date: 08/27/2012
Loan Period End Date: 12/16/2012

### Amounts and Dates

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Outstanding Principal Balance</th>
<th>Outstanding Principal Balance As of Date</th>
<th>Outstanding Interest Balance</th>
<th>Outstanding Interest Balance As of Date</th>
<th>Interest Rate</th>
<th>Canceled Amount</th>
<th>Canceled Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,000</td>
<td>$17,000</td>
<td>09/30/2012</td>
<td>$142</td>
<td>09/30/2012</td>
<td>FIXED</td>
<td>$0</td>
<td></td>
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</tbody>
</table>

### Disbursement(s) and Status(es)

<table>
<thead>
<tr>
<th>Disbursement Date</th>
<th>Disbursement Amount</th>
<th>Loan Status</th>
<th>Status Description</th>
<th>Status Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/17/2012</td>
<td>$17,000</td>
<td>IA</td>
<td>LOAN ORIGINATED</td>
<td>08/17/2012</td>
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</table>

### Servicer/Lender/Guaranty Agency/ED Servicer Information

<table>
<thead>
<tr>
<th>Contact Type</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Servicer:</td>
<td>Ext:</td>
</tr>
<tr>
<td>Current Lender:</td>
<td>Ext:</td>
</tr>
<tr>
<td>Current ED Servicer:</td>
<td></td>
</tr>
</tbody>
</table>

DEPT OF ED/FEDLOAN SERVICING(PHEAA)
PO BOX 530210
ATLANTA
GA 30348
800-699-2908 Ext:
accountinfo@myfedloan.org www.myfedloan.org
What is my payment amount?

Log into your loan servicer’s website to find out your loan payment amount.
Tracking Your Private Loans

Request your free annual credit report. It's QUICK, EASY and SECURE.

START HERE to view and print your credit report now.

Select Your State → Request Report

Right identity theft by monitoring and reviewing your credit report. You may request your free credit report online, request your report by phone or request your report through the mail. Free credit reports requested online are viewable immediately upon authentication of identity. Free credit reports requested by phone or mail will be processed within 15 days of receiving your request.

What is AnnualCreditReport.com?

This central site allows you to request a free credit file disclosure, commonly called a credit report, once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian and TransUnion.

AnnualCreditReport.com is the official site to help consumers to obtain their free credit report.

We guard your privacy.

Please be aware of how you arrived at this site. To ensure that you are visiting the legitimate site, type https://www.annualcreditreport.com directly into the address bar on your browser. You will never receive an email directly from the Annual Credit Report Request Service. For further information please read the Security Policy.

This site is sponsored by:

[Logos for TransUnion, Experian, and Equifax]
Managing Your Loans

1. Where is my loan and what is my payment amount?

2. What is consolidation?

3. What repayment plan is right for me?

4. Practicing good financial habits – where do I start?
Federal Loan Consolidation

• Allows you to combine all of your federal student loans into a single loan.

• Repayment starts immediately

• Not a refinance tool, just debt management

http://loanconsolidation.ed.gov
Managing Your Loans

1. Where is my loan and what is my payment amount?

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Repayment Options – Stafford and PLUS

Balance Driven
- Standard
- Graduated
- Extended

Income Driven
- Income Contingent
- Income Based Repayment
- Pay As You Earn

0.25% rate reduction for auto debit
Standard

• Available for all Federal Loans
• 10 year repayment schedule
• Fixed payment amount
Graduated

• Available for all Direct, FFEL, and Federal Consolidation Loans (w/out Parent PLUS)

• 10 year repayment

• Payment amount is lower in the earlier years of repayment and gradually increase over time.

• Payment amount is generally reset every two years.
Extended

• Available for all Direct, FFELP, and Federal Consolidation Loans (w/out parent PLUS)
• Must have more than $30,000 in outstanding Direct or FFEL Loans.
• Up to 25 year repayment
• Payments are fixed or graduated, and are not based on income.
$60,000 Loan @ 6.8% Interest

Standard
(10 Years)
Payment = $690
Interest = $22,858

Graduated
(10 Years)
Payment = $474 up to $1036
Interest = $27,333

Extended
(25 Years)
Payment = $416
Interest = $64,933

Higher payment = less cash flow, less cost

Lower payment = more cash flow, more cost
$20,000 Loan @ 6.8% Interest

- **Standard** (10 Years)
  - Payment = $230
  - Interest = $7,619

- **Graduated** (10 Years)
  - Payment = $158 up to $345
  - Interest = $9,111

- **Extended** (25 Years)
  - Not Qualified
    - (must have at least $30,000 debt)

*Higher payment = less cash flow, less cost*

*Lower payment = more cash flow, more cost*
<table>
<thead>
<tr>
<th>Year</th>
<th>Plan Description</th>
</tr>
</thead>
</table>
| 1994 | Income Contingent Plan (ICR)  
Direct Loan Borrowers with eligible loans |
| 2009 | Income Based Plan (IBR)  
Direct and FFEL Loan Borrowers with eligible loans |
| 2012 | Pay As Your Earn (PAYE)  
New borrowers after 10/1/2007 who received a Direct Loan on or after 10/1/2011 |
Which loans are eligible?

**Loans that are eligible**
- FFEL Loans (if consolidated)
- Direct Stafford Loans
- Direct Grad PLUS Loans
- Direct Consolidated Loans

**Loans that are not eligible**
- FFEL Loans
- Parent PLUS Loans
- Direct Parent PLUS Loans
- Consolidated Loans that include Parent PLUS Loans
# Income Driven Plan Comparison

<table>
<thead>
<tr>
<th></th>
<th>ICR</th>
<th>IBR</th>
<th>PAYE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payment Amount Limit</strong></td>
<td>20% of discretionary income</td>
<td>15% of discretionary income</td>
<td>10% of discretionary income</td>
</tr>
<tr>
<td><strong>Interest Subsidy</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Allows for Loan Forgiveness</strong></td>
<td>After 25 Years</td>
<td>After 25 Years</td>
<td>After 20 Years</td>
</tr>
<tr>
<td><strong>Partial Financial Hardship Required</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
PAYMENT COMPARISON

Borrower has loan debt of $60,000
6.8% interest rate
Salary is $50,000/year
Single with no dependents

ICR
Payment = $609

IBR
Payment = $416

PAYE
Payment = $278
How do I apply?

• Must submit income documentation when applying

  – Eligibility and payment amounts are based on a borrower’s AGI (Adjusted Gross Income)

  – Borrower may document AGI:
    • Electronically
    • By paper
Electronic Application

- Uses IRS Data Retrieval Tool that is used on the FAFSA
- Retrieves the most recent tax information from two most recently completed tax years
- Electronically transmits application to loan servicer—no follow-up necessary unless AGI is unavailable or borrower wants to submit alternative documentation of income
- Can be used for initial applications or annual re-evaluations

Paper Application

- Available for borrowers who cannot or do not wish to use the electronic application
- Direct Loan and FFEL forms can be applied for in a single form

Access the application through studentloans.gov or through loan servicers’ websites
How do I apply?

- Entrance Counseling
- Sign Master Promissory Note
- Complete PLUS Request Process
- Financial Awareness Counseling
- Endorse Direct PLUS Loan
- IBR/PAY As You Earn/ICR Repayment Plan Request

Visit the PIN site if you are a new user or have forgotten your PIN.
How do I apply?

Income Information

Tax Information

You have successfully transferred your IRS tax return information. The transferred information is listed below and will be used in your IBR application.

- Adjusted Gross Income: $6,388
- Filing Status: Single
- Tax Year: 2011

If you would like to retrieve your information again from the IRS, click the button below.

Link to IRS

Select the checkbox below if the tax information above is not reflective of your income.

If you believe that the tax information does not reflect your current income and/or financial circumstances, you may provide alternative income information. If you choose to provide alternative income information, you will be required to provide supporting documentation. If supporting documentation is required, instructions will be provided at the end of this process.

- [ ] My income (or my spouse’s income) significantly changed. My income information, as reported on the tax return information above, does not reasonably reflect my current income (e.g., due to circumstances such as loss or change in employment for me (or my spouse)).
  - My Annual Taxable Income @
  - Spouse’s Annual Taxable Income @

Family Information

- Family Size @
Loan Repayment Assistance Program (LRAP)

- Short-term forgivable loan made to qualifying graduates
- Must be engaged in full-time law or law-related public interest or government work that pays less than $75,000 per year
- Must apply each year with the Law School Financial Aid Office
- Must provide legal services for or under the direction of a government unit or a 501(c)(3) organization.
- LRAP will provide assistance equal to your calculated IBR amount.
- Only federal loans qualify
Repayment Options

Perkins
- Standard 10 year plan
- May use deferment/forbearance to postpone payment
- Eligible for consolidation

Duke Institutional
- Standard 10 year plan
- May use deferment/forbearance to postpone payment (in some cases)
- Not eligible for consolidation
Repaying Your Perkins, Duke or NFLP Loans

• Duke is your lender, ECSI is your servicer.

• Bills are generated on the 15th and due the 1st of each month.

• Online access [www.ecsi.net](http://www.ecsi.net)

• Option to pay by monthly bank draft

• Forbearance, and cancellation requests are submitted directly to ECSI

SCHOOL CODE 3C
What if I can’t make my payment?
Deferment and Forbearance
(postponing your payments)

Deferment

• In School (at least half-time)
• Military Service
• Economic Hardship (3 yr. max)
• Unemployment (3 yr. max)

Forbearance

• Receiving education award
• Medical or Dental internship or residency
• Economic Hardship
• Discretionary
## Deferment Qualifications

### Unemployment
- be unemployed or working less than full time, and
- Seeking, but unable to find full-time employment in any field, and
- Registered with a public or private employment agency,
  - OR
- Be eligible for unemployment benefits

### Economic Hardship
- Receiving/received payment under a federal or state public assistance program
- Peace Corps volunteer
- Working full-time and your monthly income does not exceed the larger of the federal minimum wage rate or 150% of the poverty guideline.
What happens if I default?

- Full amount of loan comes due
- Wage and tax refund garnishment
- Collection charges and late fees
- Professional licenses withheld
- Loss of federal aid eligibility
forgiveness
perkins vs. direct
Public Service Forgiveness

**Direct Loans**

- Available for Direct Loans only (Not FFELP)
- Make 120 on time payments (does not need to be consecutive)
- Make each payment under a qualifying payment plan (income driven or 10 Yr. Standard)
- Makes each payment while employed full-time by the government or a qualifying non-profit organization - 501(c) (3)
- Balance is forgiven and not treated as taxable income
- Submit forms **annually** to the Department of Ed

**Perkins Loan**

- Loan cancellation up to 100% over a period of 5 years
- Payments are deferred while working
- Some of the professions include:
  - Law enforcement officer
  - Public defender
  - Prosecuting attorney
  - Nurse or medical technician
  - Fire fighter
  - Speech language pathologist (with a master’s degree)
  - Provider to high risk children in low income communities (must be an eligible institution)

What type of employment is excluded?

“...when determining full-time public service employment at a not-for-profit organization you may not include time spent participating in religious instruction, worship services, or any form of proselytizing.”
Teaching Forgiveness

**Stafford Loan**
- Up to $17,500 for highly qualified full-time math or science teacher
- Up to $5,000 for full-time elementary or secondary school teaching in a subject area relevant to your major
- Must be a qualified school
- Apply for forgiveness after you complete 5 consecutive years of teaching

**Perkins Loan**
- Loan cancellation up to 100%
- Must teach in a qualified non-profit, elementary or secondary school that is serving low income families, special ed., or certain subjects.
- Must apply every year through your servicer
- Percentage of your loan is forgiven for each year you qualify
HRSA Loan Repayment Programs

- Faculty Loan Repayment
- National Health Service Corps Loan Repayment
- Nursing Education Loan Repayment

*Work in areas where there’s a critical need*

*Application required*

*Limited amount of program funding*

Nurse Faculty Loan

If you:

• complete an advance nursing educational program, and
• secure a position as a nursing faculty within 12 months of graduation:

Then:

• Interest rate is fixed at 3%, deferred until 3 months after graduation.
• 10 year repayment beginning 9 months after graduation.
• 85% forgiveness after four consecutive years as a nurse faculty.
  (20% first 3 years, 25% fourth year)
What happens if I do not meet either qualification?

- Interest rate increases to prevailing rate which is set by the Treasury (currently 10%)
- No loan forgiveness
Nurse Faculty Loan

Fill out these forms each year:

✅ Postponement
✅ Employment Certification
✅ Cancellation

Don’t FORGET!
Additional Forgiveness

Perkins
- Military Service – up to 100% (in areas of hostilities)
- Peace Corps Service and AmeriCorps – up to 70%

Stafford/PLUS
- Remaining balance after 25 or 20 years of qualifying payments (depending upon the repayment plan)
- Taxable income to the borrower in the year the loan forgiveness occurs

Education Awards
- AmeriCorps
- VISTA
- TEACH for America
Discharge

- Total and Permanent Disability Discharge
- Death

Student loans are usually **not** dischargeable due to bankruptcy
Managing Your Loans

1. Where is my loan and what is my payment amount?

2. What is consolidation?

3. What repayment plan is right for me?

4. Practicing good financial habits – where do I start?
To Do List

- Prepare for your first loan payment
- Start (or continue) a savings account
- Create a budget
- Get a copy of your credit report and know your credit score
- Protect your Identity
- Keep good records
Get your credit report

AnnualCreditReport.com

Request your free annual credit report. It's QUICK, EASY and SECURE.

START HERE to view and print your credit report now.

Select Your State ▼ Request Report

Right identity theft by monitoring and reviewing your credit report. You may request your free credit report online, request your report by phone or request your report through the mail. Free credit reports requested online are viewable immediately upon authentication of identity. Free credit reports requested by phone or mail will be processed within 15 days of receiving your request.

What is AnnualCreditReport.com?

This central site allows you to request a free credit file disclosure, commonly called a credit report, once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian and TransUnion.

AnnualCreditReport.com is the official site to help consumers to obtain their free credit report.

We guard your privacy. Please be aware of how you arrived at this site. To ensure that you are visiting the legitimate site, type https://www.annualcreditreport.com directly into the address bar on your browser. You will never receive an email directly from the Annual Credit Report Request Service. For further information please read the Security Policy.
Repaying your student loans on time will have the largest positive impact on your credit score.
For more information...
Just a few more things to note...

• Student Loan Interest Deduction

• Resolving Disputes

• Your Rights and Responsibilities
# Student Loan Interest Deduction

**1098-E**

<table>
<thead>
<tr>
<th>Recipient's/Lender's Name, Address, City or Town, Province or State, Country, ZIP or Foreign Postal Code, and Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBM No.</strong> 1545-1576</td>
</tr>
<tr>
<td><strong>2013</strong></td>
</tr>
<tr>
<td><strong>Form 1098-E</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recipient's Federal Identification No.</th>
<th>Borrower's Social Security Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower's Name</td>
<td></td>
</tr>
<tr>
<td>Street Address (Including Apt. No.)</td>
<td></td>
</tr>
<tr>
<td>City or Town, Province or State, Country, and ZIP or Foreign Postal Code</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account Number (see Instructions)</th>
<th>If checked, box 1 does not include loan origination fees and/or capitalized interest for loans made before September 1, 2004</th>
</tr>
</thead>
</table>

**Copy B**

For Borrower

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.

www.irs.gov/form1098e  Department of the Treasury - Internal Revenue Service
## Resolving Disputes

### Federal Loans

**Federal Student Aid Ombudsman’s Office**

U.S. Department of Education  
FSA Ombudsman  
830 First Street, NE, Fourth Floor  
Washington, DC 20202-5144  
www.ombudsman.ed.gov  
fsaombudsmanoffice@ed.gov  
Ph: 877-557-2575 (toll free)

### Private Loans

**Consumer Financial Protection Bureau (CFPB)**

P.O. Box 4503  
Iowa City, Iowa 52244  
www.consumerfinance.gov  
Phone: 855-411-CFPB (2372)  
Fax: 855-237-2392
What the Ombudsman Office can do:

• Research your problem in an impartial and objective manner and will try to develop a fair solution

What the Ombudsman Office cannot do:

• Does not have the authority to impose a solution
Questions?

Duke University Student Loan Office
Box 90775
studentloans@duke.edu
919.660.3630

contact information

Personal Finance@Duke personalfinance.duke.edu 919.660.3630