Loan Management and Repayment

Office of Student Financial Aid & Scholarships

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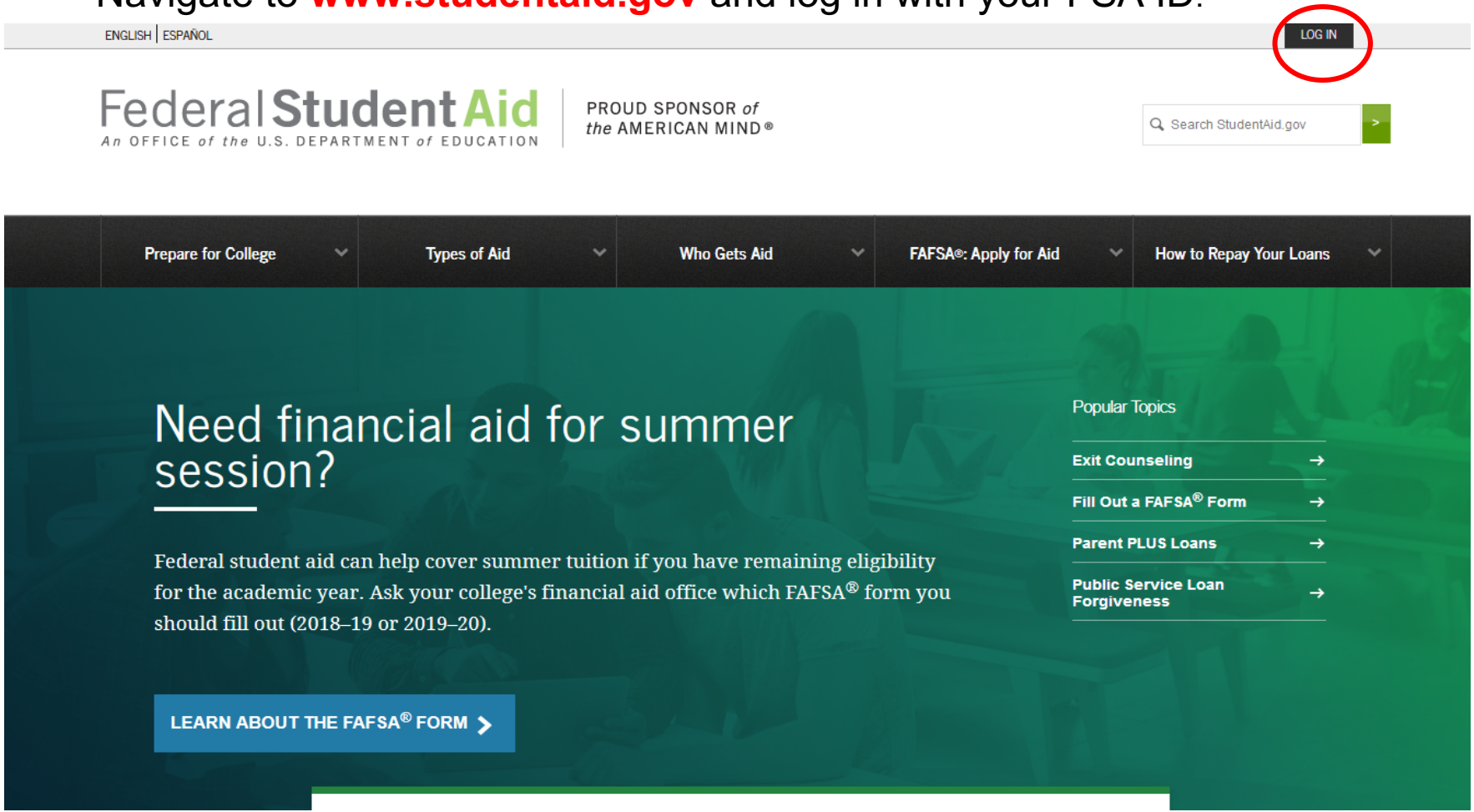
Office of Student Financial Aid and Scholarships

Navigate to **www.studentaid.gov** and log in with your FSA ID.



Today's Agenda

- UOTeach/CTED 2019-2020 Tuition & Fees
- Financial Aid distribution schedule & Payment Process
- Resources for Financially Strapped Students
- Video - Repayment: What to Expect
- Exit Counseling
- How Much Do You Owe?
- Grace Period
- Private Loans
- Repayment Plans (Understanding Interest)
- Public Service Loan Forgiveness
- Teacher Loan Forgiveness
- TEACH Grant
- Next Steps

2019-2020 Tuition Rates

UOTeach / CTED Oregon resident tuition rate

- Est $29,065 for full-time 4 term program

	SU 2019	F 2019	W 2020	SP 2020
Tuition	$6,470	$6,550	$6,550	$6,550
Fees	$ 512	$ 711	$ 711+300	$ 711
Est	$6,982	$7,261	$7,561	$7,261

UOTeach / CTED Non-resident tuition rate

- $38,230 for full-time 4 term program

	SU 2019	F 2019	W 2020	SP 2020
Tuition	$7,501	$9,118	$9,118	$9,118
Fees	$ 512	$ 711	$ 711 +300	$ 711
Est	$8,443	$9,829	$10,129	$9,829

These numbers reflect **projected** full-time tuition rates for the UO Teach Program from 9-16 credit hours per term.

Financial Aid Disbursements

- Summer 2019
  - Disbursements began 6/24/19
  - Requires 2018-2019 FAFSA
  - Loans must be accepted on DuckWeb
  - Entrance Counseling/Loan Agreement must be completed
  - Bills due 7/1/19

- Fall 2019
  - Disbursements begin late September
  - Requires 2019-2020 FAFSA
  - Loans must be accepted on DuckWeb starting in early July
  - Entrance Counseling/Loan Agreement must be completed
  - Bills due 10/1/19

Financially Strapped Grad Student Resources:

Link via UOTeach Blog / Resources: https://docs.google.com/document/d/1MLLRUoEifxR-DRcR24iA43TSwbDxrGrjK6-x_kuMCQ8/edit#

Student success is impacted by unmet basic needs such as food security and housing security. Don't go without, as a UO student there are campus and community resources intended to support your well-being so that you can meet your academic goals

- UO Basic Needs Resource Guide
- Emergency $300 Financial Aid Loans available via the Business Affairs office (e.g. books)
- Bell Loan Option for Graduate Students complete the Grad School application form (Form A)
- University Health Center comprehensive primary healthcare and mental health resources
- ASUO Legal Services legal advice and representation to UO students.
- Oregon Dept. of Human Services Child Care Subsidy financial help with child-care costs
- Ducks Dine On sign up for $6.50/meal
- Student Food Pantry 1329 E 19th Avenue Wed & Thurs 4:00 to 6:00pm
- Many Nations Longhouse Thurs potluck dinners
- Be-Series & Other on-campus events and lectures serve meals
- SNAP Program federal nutrition program
- WIC Program federal nutrition program for low-income families with young children
- Produce Plus fresh fruits and vegetable produce with local drop-off sites. All who come are served.
- Food for Lane County Food Bank and garden programs
- Common Ground Garden community garden when anyone can harvest food for free.
- Huerto de la Familia non-profit that improves access to healthy, low-cost, culturally appropriate food for Latino families

Loan Repayment Video

[Repayment: What to Expect]

Exit Counseling

Required 30 days after you graduate, leave school, or drop below half-time enrollment. Exit Counseling provides important information to prepare you to repay your federal student loans, including: responsibilities and rights as a borrower and what to do when you have trouble making payments.

- At the end, you'll need to provide the name, address, email address, and telephone number for your closest living relative, two references who live in the U.S., and current or expected employer (if known).
- Visit studentloans.gov and login with your FSA ID to complete Exit Counseling
- The Perkins Loan will require a separate Exit Counseling which will be sent by Heartland ECSI borrower.ecsi.net

Do You Know How Much You Owe?

Federal Direct Loans

- Log into studentaid.ed.gov with your FSA ID
- You will find your loan servicer contact information and total amount of student loans borrowed
- Contact and create an account with your loan servicer
- Update your contact information

Grace Period

- Allows students a period of time after finishing school before beginning repayment to find work
- 6 months after you graduate for Federal Direct Subsidized & Unsubsidized Loans
- Unsubsidized loans continue to accrue interest during this time, Subsidized loans do not accrue interest during this time

Private Loans

- Communicate with your lender
- Create an account on their website if you have not already
- Be sure to update your contact information
- Make sure you know when your payments will start (may be sooner than your federal loans)

Non-Income Driven Repayment Plans

Standard Plan: The default plan. Monthly payments remain the same each month until loans are paid in full. Payments are at least $50/month and may be higher under this plan. Length of repayment will be 10 years.

Extended Plan: Monthly payments will be fixed or graduated so your loans are paid off in 25 years. Must have at least $30,000 in outstanding Direct Loans.

Graduated Plan: Monthly payments are initially lower and then increase every two years. Length of repayment will be 10 years.

Income-Driven Repayment Plans

Pay As You Earn (PAYE): Monthly payments based on your adjusted gross income (with spouse, if applicable), your family size and the total amount of your eligible loan debt. Payments are calculated based on 10% of discretionary income. After 20 years, any remaining loan balance may be forgiven, but taxed. Must have been new borrower as of 10/1/07 and received a disbursement after 10/1/11.

Revised Pay As You Earn (REPAYE): Monthly payments based on your adjusted gross income (with spouse, if applicable), your family size and your state of residence. Payments are calculated based on 10% of discretionary income. After 20 years (UG loans) or 25 years (UG and GR loans), any remaining loan balance may be forgiven, but taxed.

Income-Driven Repayment Plans continued

Income-Based Repayment (IBR): Monthly payments based on your adjusted gross income, family size, and total amount of your eligible loan debt. Payments are calculated based on 15% of discretionary income (10% if new borrower after 7/1/14). After 25 years (20 years if new borrower), any remaining loan balance may be forgiven, but taxed.

Income-Contingent Repayment (ICR): Monthly payments based on your adjusted gross income, family size, and the total amount of your eligible loan debt. Payments calculated based on 20% of discretionary income. After 25 years, any remaining loan balance may be forgiven, but taxed. Only IDR plan available to Parent PLUS loan borrowers if they consolidate their loans.

INCOME-DRIVEN REPAYMENT PLANS FOR FEDERAL STUDENT LOANS

REPAYMENT PLAN	PAYMENT	LOAN FORGIVENESS AFTER
Revised Pay As You Earn (REPAYE)	**10 percent** of your discretionary income	**20 or 25 years** of qualifying repayment
Pay As You Earn (PAYE)	Never more than **10 percent** of your discretionary income	**20 years** of qualifying repayment
Income-Based Repayment (IBR)	Never more than **15 percent** of your discretionary income	No more than **25 years** of qualifying repayment
Income-Contingent Repayment (ICR)	Never more than **20 percent** of your discretionary income	**25 years** of qualifying repayment

Things to Consider

- Quick pay off? Pick **Standard** or **Graduated Plans** to pay off in 10 years
- Married and want an **Income Driven Repayment Plan**?
  - Some plans (PAYE, IBR, ICR) only consider your spouse's income and loan debt if you file your taxes jointly
  - REPAYE considers your spouse's income and loan debt regardless of filing status
- Income driven plans require more work as annual certification is needed
- You can switch plans, but be aware of hidden outcomes like interest capitalization
- Loan payments will be considered when applying for a mortgage
  - Even if you're on an income driven repayment plan, the standard repayment plan amount is used to calculate eligibility

Consolidation

Federal consolidation may be the right option if you:

- Have loans with multiple servicers
- Have significant student loan debt
- Have more than one type of federal loan
- Have loans with variable interest rates
- Have trouble paying the amount due on your loans and need a lower payment

Pros	Cons
• One servicer, one bill, one payment • Lower monthly payments • Fixed interest rate • May extend repayment terms • Easy application at www.studentloans.gov	• More monthly payments • More interest to pay • Loss of loan incentives • Risk of ineligibility for some military benefits

Private loan refinancing also available through certain lenders

Understanding Interest

- Unsubsidized loans accrue interest and is compounded daily.
    - Example: A $7,500 loan with a 3.76% interest rate has interest accumulation of 77 cents/day or $23/month
    - Example: $30,000 in loans with a 5% interest rate have interest accumulation of $4.11 per day or $123.30/month
        - To calculate: Interest rate / 365 days a year * loan amount * 30 days a month
- When you make a payment, it goes toward outstanding fees first, then interest, then principal
    - Extra payments can go directly toward principal if you choose

Understanding Interest: Capitalization

Capitalization is the addition of unpaid accrued interest to the principal balance of your loans. This means that your principal balance increases, so **you will pay more in interest over the life of the loans**.

Your lender will contact you regarding capitalization close to the end of your 6 month grace period. You can either:

1. Pay the full amount of interest in the notification
2. Not pay the full amount and any remaining amount of unpaid interest will be capitalized

Understanding Interest: Capitalization

	Student A If you can't or don't pay	Student B If you pay
Original Loan Balance	$20,000	$20,000
Capitalized Interest accrued while in school	$5,700	$0
Total Interest paid prior to repayment:	**$0**	**$5,700**
Loan Balance when entering repayment	$25,700	$20,000
Interest Rate	6.8%	6.8%
Monthly Payment	$295.76	$230.16
Total Repayment Amount	$35,489.54	$33,318.29 *This figure includes the $5,700 in interest you previously paid.

In the example above you would save more than **$65** per month if you paid the outstanding interest before it capitalized (was added to the principal balance).

Save $65/month or $2,100+ by paying your interest early

1098-E Form

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number
US DEPARTMENT OF EDUCATION
P.O. BOX 69184
HARRISBURG, PA 17106
800-699-2908

OMB No. 1545-1576

2016

Form **1098-E**

Student Loan Interest Statement

RECIPIENT'S federal identification no.

BORROWER'S social security number

1 Student loan interest received by lender
$1,447.79

BORROWER'S name
ASHLEY J COLEMAN

Account number (see instructions)
PFDB

2 If checked, box 1 does **not** include loan origination fees and/or capitalized interest for loans made before September 1, 2004 . . . ☐

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.

Form **1098-E** (keep for your records) www.irs.gov/form1098e Department of the Treasury - Internal Revenue Service

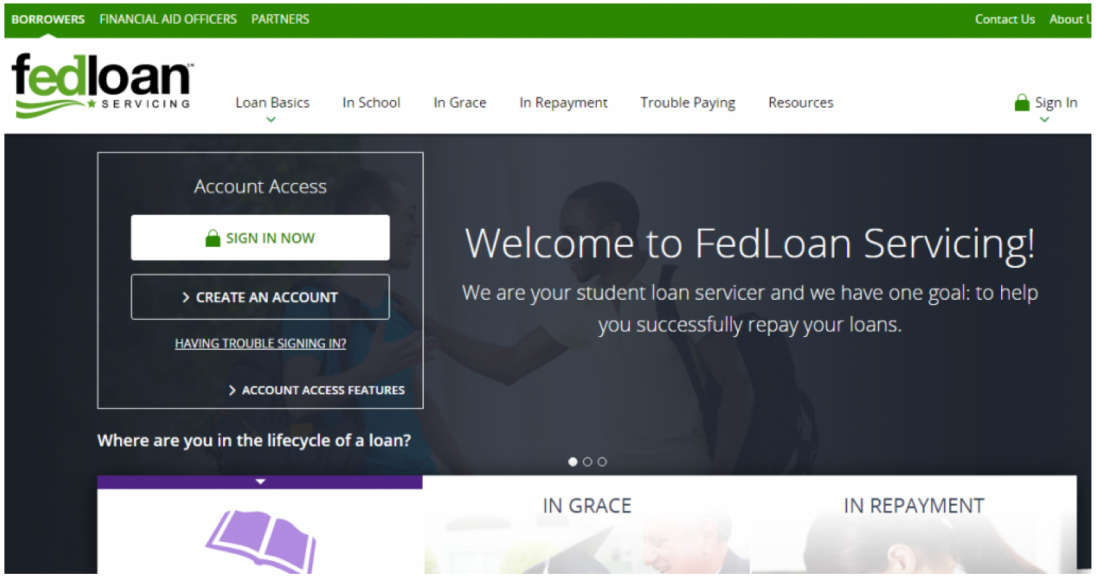
Paid more than $600 in interest? Get one of these from your loan servicer!

Deduct up to $2,500 if your AGI is $80,000 or below and pay less taxes!

FedLoan Servicing

They are the servicer that is responsible for administering the Public Service Loan Forgiveness (PSLF) Program on behalf of the U.S. Department of Education.

Visit: myfedloan.org



Complete Your ECF

CLOSE

Currently Have Loans Serviced By FedLoan Servicing?

Get help preparing your ECF in your online account through Account Access with Forms Assistance. Forms Assistance can prepopulate most of the ECF, making it easier and more convenient to complete the form.

Easily prepare your ECF with Forms Assistance!

SIGN IN NOW

Don't Have an Account?

> CREATE ONE TODAY

Don't Have Loans Serviced By Us?

To complete the ECF:

1. Print the following documents:
   - ECF
   - Employer instructions
2. Mail or fax the completed and signed ECF.

FedLoan Servicing
Attn: Loan Forgiveness
P.O. Box 69184
Harrisburg, PA 17106-9184
Fax: (717) 720-1628

NOTE: If your ECF is approved, your federal student loans will be transferred to us. We will continue to service your loans as you work toward loan forgiveness.

Teacher Loan Forgiveness

Full-time teacher for 5 complete and consecutive academic years in a low-income elementary school, secondary school, or educational service agency.

- Up to $5,000 for most teachers
- Up to $17,500 for elementary/secondary special education teachers and secondary math and science teachers

You cannot receive both the Teacher Loan Forgiveness and PSLF for the same time period.

- If you make 5 years of payments to receive Teacher Loan Forgiveness, you cannot count those 60 payments toward the 120 payments needed for PSLF

Teacher Loan Forgiveness

Apply for forgiveness after 5 years teaching requirements have been met by printing and completing the Teacher Loan Forgiveness Application. You will submit the completed application to your loan servicer.

Visit StudentAid.ed.gov for more information and a link to the TLF Application

TEACH Grant

The TEACH Grant has a four year service requirement of working in a low-income school as a highly-qualified teach in a high-need field.

- Mathematics / STEM
- Science / STEM
- World Languages
- Bilingual Education
- English Language Acquisition
- Special Education

TEACH Grant

Recipients must complete the service obligation for this program within an eight year period or will have their TEACH Grants converted into a Federal Direct Unsubsidized Loan. The retroactive interest on the loan will be applied from the date the grant was originally disbursed.

Visit https://studentaid.ed.gov/sa/types/grants-scholarships/teach for more information.

What Happens If I Can't Make My Student Loan Payment?

If you anticipate difficulty repaying a loan, contact your loan servicer immediately. You can postpone your monthly payments through a deferment or forbearance, and that may be the right choice to prevent your loans from entering default.

Deferment: a period during which repayment of the principal and interest of your loan is temporarily delayed.
Forbearance: you may be eligible to stop making payments or reduce your monthly payment for up to 12 months. Interest will continue to accrue on your subsidized and unsubsidized loans.

It is never a good decision to just **NOT** make a payment.

- Loans will be put in default status if payment is not made for 270 days
- **Default =** your tax refund and wages may be garnished
- The entire unpaid balance of your loan and any interest is immediately due and payable

Financial Flight Plan

Financial Flight Plan is a program devoted to fostering a community of financially capable students at the University of Oregon. Through our interactive campus-wide workshops, we provide lessons and resources to help students manage their money by budgeting and borrowing responsibly, understanding credit, and making informed decisions regarding their finances.

https://ffp.uoregon.edu/

Next Steps

- Here next year? Fill out your 2019-20 FAFSA now using 2017 income information and complete any outstanding requirements.
- Contact your loan servicer with any questions or stop by our office at 260 Oregon Hall for drop-in hours, M-F 9:00-4:00pm

Get Connected on Social Media

@UOregonFinAid

/UOregonFinAid

Questions?

Financial Flight Plan
ffp.uoregon.edu

Federal Student Aid Website
studentaid.ed.gov