



**Northern Illinois  
University**  
**Congratulations Class of 2016...**  
**Welcome to the Land of Loan  
Repayment**

Financial Aid & Scholarships

# TOPICS TO BE COVERED



- Exit Counseling
- Loan Consolidation
- Repayment Options
- Deferment and Forbearance
- Discharge and Forgiveness
- Default Prevention



# EXIT COUNSELING



- Required to be completed at [studentloans.gov](http://studentloans.gov) when a student
  - Graduates
  - Leaves NIU (whether attending elsewhere or not)
  - Drops below half-time enrollment
- Reminder will be sent if not completed after 30 days



# GRACE PERIOD



- There is a six month grace period once a student graduates or is enrolled less-than-half time
  - Subsidized loans prior to 7/1/2012 – **no interest** accrues during grace period
  - Subsidized loans after 7/1/2012 – interest begins to accrue during grace period



# GRACE PERIOD



- During and toward the end of the grace period is the best time to make your selection of repayment plan
- If a plan is not selected you are automatically assigned the standard repayment plan
- Repayment plan can be changed at any time
- Repayment begins after the grace period



# LOAN CONSOLIDATION



- + Combines federal student loans into one loan
  - + Single monthly payment
  - + Extends repayment period
  - + Results in lower monthly payment
- 
- More interest paid
  - May lose borrower benefits such as interest rate discounts, principle rebates or loan cancellation benefits

*There's no going back!*

<https://studentaid.ed.gov/repay-loans/consolidation>



# LOAN SERVICERS



- Companies that handle the billing and other services on your federal student loan(s)
- Servicer is assigned by the U.S. Department of Education after loan is fully disbursed
- It is important to know who your servicer is, and to keep your contact info up to date
  - Helpful info can be found at:

<http://studentaid.ed.gov/repay-loans/understand/servicers>



# LOAN SERVICERS



- Nelnet
- Great Lakes
- Navient
- FedLoan Servicing
- MOHELA
- ESA/Edfinancial
- CornerStone
- Aspire Resources Inc.
- Granite State-GSMR
- OSLA Servicing
- VSAC Federal Loans





# REPAYMENT OPTIONS



- Standard
- Graduated
- Extended
- Revised Pay as you Earn
- Income Based
- Pay as You Earn
- Income Contingent



# STANDARD REPAYMENT PLAN



- Fixed monthly payment  $\geq$  \$50
- Up to 10 years to repay
- Lowest total interest paid due to shortest repayment period



# GRADUATED REPAYMENT PLAN



- Payments start out low and increase every two years
- Repayment period is 10 years
- No payment is more than three times greater than any other payment
- Potential to pay more interest



# EXTENDED REPAYMENT PLAN



- Eligible borrower:
  - New borrower on or after 10-7-98
  - Direct Loan debt  $\geq$  \$30,000
- Maximum repayment period is 25 years
- Payments may be fixed or graduated
- Smaller payments
- More interest paid



## REVISED PAY AS YOU EARN REPAYMENT PLAN



- Monthly payments calculated as 10% of your discretionary Income
- Payments recalculated each year based in updated income and family size
- Married individuals take into consideration:
  - Your and your spouse's income
  - Your and your spouse's loan debt
  - Whether taxes are filed jointly or separately



# REVISED PAY AS YOU EARN REPAYMENT PLAN



- Any Direct Loan borrower of:
  - Direct Subsidized/Unsubsidized
  - Direct PLUS Loans to Student (i.e. Graduate PLUS loans)
  - Direct Consolidation Loans that do not include PLUS loans made to Parents (FFEL or Direct)
- If not fully repaid after 25 years the unpaid portion is forgiven but may be taxed



# INCOME BASED REPAYMENT PLAN



- Monthly payments are 15% of discretionary income during any period when you have a partial financial hardship (PFH)
- If not fully repaid after 25 years the unpaid portion is forgiven but may be taxed
- Can include PLUS loans made to students



# Partial Financial Hardship



- Calculated by comparing the annual amount due on eligible loans under the 10-year Standard Repayment plan
- For Income Based Repayment – if this amount, exceeds 15 percent of the difference between your adjusted gross income (AGI) and 150 percent of the poverty line for your family size in the state where you live
- For Pay As You Earn- if this amount, exceeds 10 percent of the difference between your adjusted gross income (AGI) and 150 percent of the poverty line for your family size in the state where you live





# PAY AS YOU EARN REPAYMENT PLAN



- Maximum monthly payment is 10% of discretionary income during any period when you have a partial financial hardship (PFH)
- Must be new borrower on or after 10/1/2007 and received Direct Loan disbursement on or after 10/1/2011
- Loan repayment period is 20 years
- If not fully repaid after 20 years the unpaid portion is forgiven but may be taxed
- Can include Direct PLUS loans made to students



# INCOME CONTINGENT REPAYMENT PLAN



- Each year monthly payments are calculated on basis of:
  - Adjusted Gross Income (both if married)
  - Family size
  - Total Direct loan debt



# INCOME CONTINGENT REPAYMENT PLAN



- Maximum repayment period is 25 years
- If not fully repaid after 25 years the unpaid portion is forgiven but may be taxed
- Can include Direct PLUS loans made to students



# DEFERMENT



Postponement of payment while:

- Enrolled at least half-time in an eligible postsecondary school
- Studying full-time in a graduate fellowship program or disability rehabilitation program
- Unemployed or meet rules for economic hardship
- Qualifying active duty service in US Armed Forces or National Guard



# FORBEARANCE



- If unable to make loan payments but do not qualify for deferment
  - Illness
  - Financial hardship
  - Serving medical or dental internship or residency
- Allows student to temporarily
  - Stop making payments
  - Make smaller payments
  - Or extend repayment period



# DIFFERENCES



- Deferment: No interest accrues on Sub. loans
- Forbearance: Interest is capitalized
- Accrued Interest: Accumulates to be repaid
- Capitalized Interest: Gets added to loan principle



# DISCHARGE/FORGIVENESS CONDITIONS



- Teacher Service
- Public Service
- School-related Discharges
- Disability, Bankruptcy, or Death



# TEACHER SERVICE CRITERIA



- Full-time teacher
  - Low-income elementary or secondary school
  - For five consecutive years
- Must be new borrower after 10/1/98
- Up to \$17,500 of Stafford Loan (subsidized or unsubsidized) may be forgiven





# PUBLIC SERVICE CRITERIA



- Employed full-time in certain public service jobs
  - AmeriCorps or Peace Corps
  - Local, State, Federal or Tribal government
  - Other Public Service Organization
- Have made 120 monthly payments (under certain repayment plans) after 10/01/2007
- Remaining balance may be forgiven

<https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/public-service>



# SCHOOL RELATED DISCHARGE



- Closed School
- False Certification because of identity theft
- Unpaid Refund after withdrawal



# OTHER DISCHARGE PROGRAMS



- Total and Permanent Disability (determination by a physician)
- Inclusion of loan in bankruptcy (requires proof that repaying loan would cause undue hardship)
- Death of student



# CONSEQUENCES OF DEFAULT



Including, but not limited to:

- Damaged credit rating
- Wage garnishment
- Seizure of tax refunds
- Title IV ineligible
- Difficulty obtaining loans
- Potentially impacts employment possibilities



# DEFAULT PREVENTION



Be proactive: If you encounter problems making payments, contact the Loan Servicer to discuss available options.



Default occurs once loan is 270 days delinquent.



Defaulting has many serious consequences which may continue to negatively impact your life for years to come.



# IMPORTANT WEB SITES



- Direct Loan Repayment Options

<https://studentaid.ed.gov/sa/repay-loans/understand/plans>

- Direct Loan Repayment Calculator

<https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>

- NSLDS

[http://www.nsls.ed.gov/nsls\\_SA/](http://www.nsls.ed.gov/nsls_SA/)



# NSLDS-LOANS



[Español \(Spanish\)](#)  
[Skip Navigation](#)

## National Student Loan Data System (NSLDS) for Students

[Financial Aid Review](#) [Exit Counseling](#) [Glossary of Terms](#) [Browser Info/Setup](#) [FAQs](#) [Contact Us](#) [Logoff](#)

Aid Summary for

Your enrollment status is **FULL TIME**, effective **08/27/2007**.

[Click here for Grant Information](#)

### Loans

Please click on number in first column to see details

	Type of Loan	Loan Amount	Loan Date	Disbursed Amount	Canceled Amount	Outstanding Principal	Outstanding Interest
<a href="#">1</a>	DIRECT STAFFORD UNSUBSIDIZED	\$2,000	09/07/2009	\$1,000	\$1,000	\$1,000	\$99
<a href="#">2</a>	DIRECT STAFFORD SUBSIDIZED	\$4,500	09/07/2009	\$4,500	\$0	\$4,500	\$0
<a href="#">3</a>	FEDERAL PERKINS	\$1,800	09/07/2008	\$1,800	\$0	\$1,800	\$0
<a href="#">4</a>	DIRECT STAFFORD UNSUBSIDIZED	\$2,000	09/07/2008	\$2,000	\$0	\$2,000	\$307
<a href="#">5</a>	DIRECT STAFFORD SUBSIDIZED	\$4,500	09/07/2008	\$4,500	\$0	\$4,500	\$0
<a href="#">6</a>	STAFFORD SUBSIDIZED	\$3,500	08/09/2007	\$3,500	\$0	\$3,500	\$0
<b>Total DIRECT STAFFORD UNSUBSIDIZED</b>						<b>\$3,000</b>	<b>\$406</b>
<b>Total DIRECT STAFFORD SUBSIDIZED</b>						<b>\$9,000</b>	<b>\$0</b>
<b>Total FEDERAL PERKINS</b>						<b>\$1,800</b>	<b>\$0</b>
<b>Total STAFFORD SUBSIDIZED</b>						<b>\$3,500</b>	<b>\$0</b>
<b>Total All Loans</b>						<b>\$17,300</b>	<b>\$406</b>



# NSLDS-GRANTS



## Grants

Pell Lifetime Eligibility Used: 300.000%

Please click on number in first column to see details

Award Year	Type Of Grant:	School	Scheduled Amount	
<a href="#">1</a>	2010 - 2011	FEDERAL PELL GRANT	NORTHERN ILLINOIS UNIVERSITY	\$3,100
<a href="#">2</a>	2009 - 2010	FEDERAL PELL GRANT	NORTHERN ILLINOIS UNIVERSITY	\$2,200
<a href="#">3</a>	2008 - 2009	FEDERAL PELL GRANT	NORTHERN ILLINOIS UNIVERSITY	\$3,381
<a href="#">4</a>	2008 - 2009	ACADEMIC COMPETITIVENESS GRANT	NORTHERN ILLINOIS UNIVERSITY	\$1,300
<b>Total All Grants</b>				<b>\$9,981</b>

