Sam Houston State University

Student Money Management Center
Division of Student Services - SMMC

• **Services**
  - Personal Financial Counseling/Coaching
  - Classroom Presentations
  - Workshops

• **Personnel**
  - 2 Full-time Staff members
  - 5 Student Employees
    - 3 Peer Counselors (CPFC)
After Graduation: Loan Repayment

• Filing for Graduation
• Tuition Rebate
• Federal Loans
  – Direct Loans
    • Exit Counseling
    • Public Service Loan Forgiveness
    • Prevent Loan Default
    • Military
    • Teachers
After Graduation: Loan Repayment (Continued)

- Perkins
  - Teaching
  - Law Enforcement
  - Peace Corps
  - Nursing
- B-On-Time Loan
  - Forgiveness
SHSU Office of the Registrar

• **Filing for Graduation**
  – **Timing:** Before Census Date
    • $25 Late Fee

• **Undergraduate Tuition Rebate**
  – **Section 54.0065 of the Texas Education Code**
Undergraduate Tuition Rebate

• To be eligible for rebates under this program, students must meet ALL of the following conditions:
  – They must have enrolled for the first time in an institution of higher education in the fall 1997 term or later, and
  – They must have received a baccalaureate degree from a Texas public university, and
  – They must have been a resident of Texas, must have attempted all coursework at a Texas public institution of higher education, and entitled to pay resident tuition at all times while pursuing the degree, and
  – They must have attempted no more than three hours in excess of the minimum number of term credit hours required to complete the degree under the catalog under which they graduated. Hours attempted include transfer credits, course credit earned exclusively by examination, courses that are dropped after the official census date, for-credit developmental courses, optional internship and cooperative education courses, and repeated courses. Courses dropped for reasons that are determined by the institution to be totally beyond the control of the student shall not be counted, and
  – The first nine hours of credit earned by examination (credit earned on the basis of AP courses, CLEP or credit granted for high SAT or ACT scores) does not count as hours attempted.
• Form: http://www.shsu.edu/~reg_www/graduation/documents/tuitionrebate.pdf
Federal Loans

- Exit Counseling
- Loan Repayment Plans
- Loan Forgiveness
- TEACH Grant
Loan Exit Counseling

• Banner Self Service (Double click on Direct Loan Exit Counseling)
Loan Exit Counseling (Continued)

http://www.nslds.ed.gov/nslds_SA/SaEcWelcome.do
Loan Exit Counseling (Continued)

Need SSN and Federal Pin Number

https://studentloans.gov/myDirectLoan/index.action
Loan Exit Counseling (Continued)

- Resources for Exit Counseling
  - Not for Profit Servicers
  - Before You Go Worksheet
  - Repayment Plan Estimator
Loan Repayment Plans

• 10 Year Repayment Plan
  – 10 Year
    • It's the fastest and most cost-effective repayment plan.
  – Graduated
    • This plan allows for lower payments to start, which gradually increase over time.

• 25 Year Extended Repayment Plans
  – Extended Fixed Repayment
    • To qualify for this plan, you must have more than $30,000 in outstanding FDLP or FFEL Loans.
  – Extended Graduated Repayment
    • To qualify for this plan, you must have more than $30,000 in outstanding FDLP or FFEL Loans. Lower payments to start.
Loan Repayment Plans (Continued)

- **Income-Driven Repayment Plans**
  - Pay As You Earn
  - Income-Based Repayment
  - Income-Contingent Repayment
  - Income Sensitive Repayment
    - All of these have various methods of calculation and forgiveness

- **Cap at 10% of Income; Remainder forgiven after 20 years of payments**
Loan Repayment Plans (Continued)

- **Income-Driven Repayment Plans** (Adjusted yearly)
  - **Pay As You Earn** (Direct Loans only)
    - Requires Financial Hardship; Based on Family Income & Size
    - Payments are 10% of Discretionary Income; Never more than standard repayment; Unpaid amount forgiven after 20 years
  - **Income-Based Repayment** (Direct and FFEL)
    - Based on Individual Income and Family Size; Requires Ptl. Financial Hardship
    - Payments are 15% of Discretionary Income; Unpaid amount forgiven after 25 years
  - **Income-Contingent Repayment** (Direct Loans only)
    - Based on Individual Income, Family Size, and total amount of Direct Loans
    - Payments are 20%; Lower than standard repayment plan; Unpaid amount forgiven after 25 years.
Loan Repayment Plans (Continued)

Repayment Plan Estimator
Public Service Loan Forgiveness

- **College Cost Reduction and Access Act of 2007**
  - **Public Service Loan Forgiveness Program (PSLF)**
    - Public service jobs require skilled workers
    - Typically pays lower wages than private sector
    - PSLF is an incentive to encourage skilled workers to enter the public service work force
    - PSLF discharges any remaining debt after 10 years of full-time employment in public service. The borrower must have made 120 payments as part of the Direct Loan program in order to obtain this benefit. Only payments made on or after October 1, 2007 count toward the required 120 monthly payments.
Public Service Loan Forgiveness

• Breaking News
  – June 9th; Presidential Memorandum
    • Directed the Secretary of Education to propose new regulations that would expand the current legislation to include students that borrowed before October 2007.
PSLF – Qualified Loans

- Direct Subsidized and Unsubsidized Loans
- Direct PLUS Loans (for parents and graduate or professional students)
- Direct Consolidation Loans
- Special Direct Consolidation Loans
- Other federal loans if consolidated into a Direct Consolidation Loan, including:
  - FFEL Subsidized/Unsubsidized Stafford Loans
  - FFEL PLUS Loans for parents and graduate or professional students
  - FFEL Consolidation Loans (excluding joint spousal consolidation loans)
  - Federal Perkins Loans
  - Title VII Health Professions and Nursing Loans

References: FinAid!; Five Star Training, Public Service Loan Forgiveness
Example #1

<table>
<thead>
<tr>
<th>Eligible Loan Debt - <strong>$23,000 Unsubsidized</strong> (6.8% interest rate)</th>
<th>Standard Repayment Plan</th>
<th>Income-Based Repayment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Adjusted Gross Income - <strong>$25,000</strong> (Increasing 4% Annually)</td>
<td>First Monthly Payment $265</td>
<td>$103</td>
</tr>
<tr>
<td>Family Size = 1</td>
<td>Maximum Monthly Payment $265</td>
<td>$172</td>
</tr>
<tr>
<td></td>
<td>Total Interest Paid $8,762</td>
<td>$14,604</td>
</tr>
<tr>
<td></td>
<td>Total Principal Paid $23,000</td>
<td>$1,607</td>
</tr>
<tr>
<td></td>
<td><strong>Total Amount Paid</strong> $31,762</td>
<td><strong>$16,211</strong></td>
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<tr>
<td></td>
<td>Remaining Principal Balance and Unpaid Interest $0</td>
<td>$22,245</td>
</tr>
<tr>
<td></td>
<td><strong>Total Loan Forgiveness</strong> $0</td>
<td><strong>$22,245</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible Loan Debt - <strong>$45,000 Unsubsidized</strong> (6.8% interest rate)</th>
<th>Standard Repayment Plan</th>
<th>Income-Based Repayment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Adjusted Gross Income - <strong>$35,000</strong> (Increasing 4% Annually)</td>
<td>First Monthly Payment $518</td>
<td>$228</td>
</tr>
<tr>
<td>Family Size = 1</td>
<td>Maximum Monthly Payment $518</td>
<td>$349</td>
</tr>
<tr>
<td></td>
<td>Total Interest Paid $17,143</td>
<td>$29,300</td>
</tr>
<tr>
<td></td>
<td>Total Principal Paid $45,000</td>
<td>$4,920</td>
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<tr>
<td></td>
<td><strong>Total Amount Paid</strong> $62,143</td>
<td><strong>$34,220</strong></td>
</tr>
<tr>
<td></td>
<td>Remaining Principal Balance and Unpaid Interest $0</td>
<td>$40,640</td>
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<tr>
<td></td>
<td><strong>Total Loan Forgiveness</strong> $0</td>
<td><strong>$40,640</strong></td>
</tr>
</tbody>
</table>
Example #2

<table>
<thead>
<tr>
<th>Eligible Loan Debt - <strong>$75,000 Unsubsidized</strong> (6.8% interest rate)</th>
<th>Standard Repayment Plan</th>
<th>Income-Based Repayment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Adjusted Gross Income - <strong>$45,000</strong> (Increasing 4% Annually)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Size = 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Monthly Payment</td>
<td>$863</td>
<td>$353</td>
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<tr>
<td>Maximum Monthly Payment</td>
<td>$863</td>
<td>$527</td>
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<tr>
<td>Total Interest Paid</td>
<td>$28,572</td>
<td>$48,266</td>
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<tr>
<td>Total Principal Paid</td>
<td>$75,000</td>
<td>$3,963</td>
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<td><strong>Total Amount Paid</strong></td>
<td>$103,572</td>
<td>$52,230</td>
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<tr>
<td>Remaining Principal Balance and Unpaid Interest</td>
<td>$0</td>
<td>$73,320</td>
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<tr>
<td><strong>Total Loan Forgiveness</strong></td>
<td>$0</td>
<td>$73,320</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible Loan Debt - <strong>$150,000 Unsubsidized</strong> (6.8% interest rate)</th>
<th>Standard Repayment Plan</th>
<th>Income-Based Repayment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Adjusted Gross Income - <strong>$70,000</strong> (Increasing 4% Annually)</td>
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<tr>
<td>Family Size = 1</td>
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<td></td>
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<tr>
<td>First Monthly Payment</td>
<td>$1,726</td>
<td>$666</td>
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<tr>
<td>Maximum Monthly Payment</td>
<td>$1,726</td>
<td>$972</td>
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<tr>
<td>Total Interest Paid</td>
<td>$57,145</td>
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<tr>
<td>Total Principal Paid</td>
<td>$150,000</td>
<td>$3,330</td>
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<tr>
<td><strong>Total Amount Paid</strong></td>
<td>$207,145</td>
<td>$97,253</td>
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<tr>
<td>Remaining Principal Balance and Unpaid Interest</td>
<td>$0</td>
<td>$154,480</td>
</tr>
<tr>
<td><strong>Total Loan Forgiveness</strong></td>
<td>$0</td>
<td>$154,480</td>
</tr>
</tbody>
</table>
PSLF – Eligible Plans & Payments

• Repayment Plans
  – Income-Based Repayment Plan
  – Income Contingent Repayment Plan
  – Pay As You Earn Plan

• Payments
  – After October 1, 2007
  – On-time (no later than 15 days after the scheduled date)
  – Agreed Upon Monthly Installment
  – Not default rehabilitation payment
Full-time Employment

• Working in one or more jobs for the greater of:
  – An annual average of at least 30 hours per week (or for a contractual or employment period of at least 8 months, an average of 30 hours per week); or
  – The number of hours the employer considers full-time, unless your employment is with two or more employers
Public Service Employers (Part I)

- A Federal, State, local, or Tribal government organization, agency, or entity (includes most public schools, colleges and universities)
- A public child or family service agency
- A tribal college or university

Website: [https://www.usa.gov/Agencies.shtml](https://www.usa.gov/Agencies.shtml)

(Site indicates there’s a problem with website’s security certificate. Click “continue to this website”.)
Public Service Employers Website
(Federal, State, Local, Tribal)

https://www.usa.gov/Agencies.shtml
Public Service Employers (Part II)

- A non-profit organization under section 501(c)(3) of the Internal Revenue Code that is exempt from taxation under section 501(a) of the Internal Revenue Code (includes most not-for-profit private schools, colleges, and universities)
- A private non-profit organization (that is not a labor union or a partisan political organization) that provides at least one of the following public services:
  - Emergency management
  - Military service
  - Public safety
  - Law enforcement
  - Public interest law services
  - Early childhood education (including licensed or regulated child care, Head Start, and state-funded pre-kindergarten)
  - Public service for individuals with disabilities and the elderly
  - Public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations)
  - Public education
  - Public library services
  - School library services
  - Other school-based services

Website for 501 (c) (3): http://apps.irs.gov/app/eos/
Employment Certification

- Use of the following form and process is not required. However the Department of Education will keep track of your progress toward meeting the PSLF eligibility requirements if you follow the steps below. If not, you will still be required to submit a form for each employer that you want considered for PSLF at the time that you apply for forgiveness.
- Complete, with your employer’s certification, the Employment Certification for Public Service Loan Forgiveness Form.
- Submit the completed form to FedLoan Servicing, the PSLF servicer, following the instructions on the form.
- FedLoan Servicing will review your PSLF Employment Certification form, ensure that it is complete, and, based on the information provided by your employer, determine whether your employment is qualifying employment for the PSLF Program.
- If the form you submit is incomplete or your employment does not qualify, FedLoan Servicing will notify you and you will have an opportunity to provide additional information.
- If FedLoan Servicing cannot determine whether your employment qualifies, you may be asked to provide additional information or documentation to help establish whether you were employed by a qualifying public service organization. This documentation may include an IRS Form W-2, pay stubs, or other documents from your employer that substantiate your employment at the organization or documentation supporting your employer’s eligibility as a public service organization.
- If your employment qualifies and some or all of your federally held loans are not serviced by FedLoan Servicing, those loans will be transferred to FedLoan Servicing so you will have a single loan servicer for all of your federally held loans. Earlier payments made to other servicers will be evaluated to see if they are qualifying PSLF payments after those loans are transferred.
- FedLoan Servicing will notify you whether your employment qualifies, and, if so, how many payments during the certification period were qualifying payments, the total number of qualifying payments you have made, and how many payments you must still make before you can qualify for PSLF.
Employment Certification Form

Trouble Paying?

• Change your due date
• Reduce your monthly payments
• Postpone payments
  – Deferment (Temporary suspension)
  – Forbearance (Temporary reduction or suspension)
• Loan Consolidation
• Loan Discharge or Loan Cancellation due to permanent disability
PREVENT Loan Default

• Don’t default on your loan!
  – May lose professional license
  – Employer may be legally obligated to remit 15% to federal government
  – No income tax refund
  – Entire loan balance due in full
  – Debt collection fees up to 25%
  – Loss of eligibility for deferment, future loans
What If?

• Loan is defaulted:
  – May rehabilitate loan (Only one time)
    • Set up payment amount with lender
    • Agreed upon payment time; Payments ON TIME
  – Once rehabilitated
    • No longer default status
    • Deferment and forbearance are reinstated
    • Garnishment or loss of wages will cease
Calling All
Military Service Members!

Thank you for your service!
We appreciate the sacrifices that you and your family make for our country.

As a service member, you may be eligible for a reduced interest rate of 6% for qualifying debt under the Servicemembers Civil Relief Act (SCRA).

To learn more about SCRA and other benefits available to you and your family, visit MyFedLoan.org/military-service.
Military Benefits (Continued)

• Website:  http://www.myfedloan.org/military-service/
  – Reduced Payment and Loan Forgiveness Options
  – Service members Civil Relief Act 6% Interest Rate
  – 0% Interest Rate (Service in Areas of Hostilities)
  – General Tips
  – More Information: Judge Advocate General’s Corps Office
Military Benefits (Continued)

- **Military Service Deferment**
  Service members can postpone their repayment while serving in active duty or qualifying duty in the National Guard during a war, other military operations, or national emergency.

- **Public Service Loan Forgiveness**
  While they are serving, they may qualify for Direct Loan forgiveness after 120 qualifying payments after October 1, 2007.

- **Deferments After Active Duty**
  They can postpone their repayment before they return to school following their active duty.

- **0% Interest**
  While serving in hostile areas that qualify for special pay, they do not have to pay interest on Direct Loans made on or after October 1, 2008, for up to 60 months.

- **Income-Driven Repayment (IDR)**
  Under these plans, service members may qualify for a low or zero payment amount, with the possibility of forgiveness on the remaining balance in the future.

- **HEROES Act Waiver**
  While in active duty, the Department of Education waives many documentation requirements attached to program benefits, such as IDR. For example, if a service member is unable to provide info on family size and income, their IDR monthly payment amount will be maintained.

- **Department of Defense (DoD) Repayment of Their Loans**
  In certain circumstances as determined by the DoD, some or all of their loans may be repaid by the DoD.

- **Veterans Total and Permanent Disability Discharge**
  If they have a service-connected disability, service members may qualify for discharge of their federal student loans.
Teachers

• National Defense Act of 1958
  – Established Public Service Loan Forgiveness for Teachers

• Perkins Cancellation
  • Website: Same as above

• TEACH Grant
  – Within 120 days after you complete or otherwise cease to be enrolled in the program for which you received a TEACH Grant, you must notify your TEACH Grant servicer in writing that you:
    – Are employed as a full-time teacher in accordance with the terms and conditions of the TEACH Grant service obligation; or
    – Are not yet employed as a full-time teacher, but intend to meet the terms and conditions of your service obligation.
Perkins Loans

• **General Information**
  - **Website:** [http://studentaid.ed.gov/types/loans/perkins](http://studentaid.ed.gov/types/loans/perkins)
  - **Cancellation Request:**
THECB B-On-Time Loans

(Forgiveness Requirements)

• Forgiveness may be granted if the student receives an undergraduate degree or certificate from an eligible institution and the student meets certain requirements:

  • Graduated with a cumulative GPA of at least a 3.0 on a four-point scale, within:
    – 4 calendar years after the date the student initially enrolled in an eligible institution;
    – 5 calendar years after the date the student initially enrolled in an eligible institution, if the degree is in architecture (Texas CIP Codes Category 04.0201), engineering (Texas CIP Codes Category 14); or
    – 2 calendar years after the date the student initially enrolled in a public or private 2-year institution;
THECB B-On-Time Loans

(Forgiveness Requirements)

• B-On-Time Forgiveness Confirmation Form
References


Pennsylvania higher Education Assistance Agency. Five star training public service loan forgiveness.

