

Resources for Exit Counseling & Preparing to Repay Your Student Loans

Today's session provides an introduction of key terms, concepts, and resources to help you take control of your student loans as you enter repayment. Follow the checklist below to ensure you are staying on track.

DO NOW

Complete Exit Counseling Online

Direct Loans: <http://studentaid.gov>

Perkins/Nursing/Institutional Loans: <https://heartland.ecsi.net/>

View Your Total Loan Amounts

To see who your loan servicers are, go to <https://studentaid.gov/manage-loans/repayment/servicers>.

Log in with your FSA ID and password. You'll be able to see accrued interest on your Unsubsidized and/or Graduate PLUS loans here.

Estimate Your Monthly Repayment and Compare Repayment Plan Options

Log in to <https://studentaid.gov/loan-simulator/> with your FSA ID and password to learn what options are available to you.

DO AFTER GRADUATION

Create a Budget for Your New Life

- Consider using online tools like Mint.com or YouNeedABudget.com (\$50/year).
- Mint.com is free but you have to deal with lots of advertisements for credit cards.
- I use an Excel spreadsheet, and it works just fine for me.
- If budgeting isn't for you, check out David Bach's *The Automatic Millionaire* for information on how you can easily make your savings and many of your recurring payments automatic.

Estimate Your Take Home Pay

Use PayCheckCity.com to get a sense for what you'll be bringing home at the end of the day. This calculator factors in state and local taxes.

Start Saving

- Even as you focus on repayment, consider putting money aside for your future self. You cannot recover lost years of compounding interest.
- If you want to invest, look to your employer-sponsored options first, especially if they match your contributions. Matches are free money to you and are tax-free until you take the money out later.
- If you are not working yet or your company does not have a 401(k) plan, consider a Roth IRA and look at companies like **Vanguard**, **Charles Schwab**, or **Fidelity**, where up-front and ongoing costs for managing these accounts are very low. **Acorns.com** and **Stash Invest** are also good low-cost investing options and don't require a big initial investment as larger investment companies do.

Resources at the Federal Student Aid Information Center (FSA)

<http://www.studentaid.gov>

Exit Counseling Guide: <https://studentaid.gov/sites/default/files/exit-counseling-print-friendly.pdf>

1-800-433-3243 (1-800 4-FED-AID)

Hours are Monday-Friday, 8am – 11pm ET (accurate as of 12/13/2022)

Recommended Reading

Get Money, by Kristen Wong

Broke Millennial, by Erin Lowry (or any of her other books)

Delinquency and Default

- If you think you won't be able to make a payment, contact your loan servicer(s) before the payment is due
- Delinquency begins on the day after the due date when the full payment has not been made
- Loan servicers will begin activities to try to prevent default, including contacting references and sending notices
- Loan servicers always try to keep the borrower making payments because it will save the borrower time and interest payments in the long run
- Servicers will provide deferment and forbearance options if needed (see below)
- Default occurs after 270 days of delinquency

Deferment and Forbearance

Deferment can be granted for one or more of the following reasons:

- Unemployment
- Economic hardship
- Graduate fellowship
- Rehabilitation training program
- Military
- In-school

Forbearance can be granted for one or more of the following reasons:

- Medical/dental internship residency
- Student loan debt burden
- AmeriCorps
- Teacher Loan Forgiveness
- DOD Student Loan Repayment Program
- National Guard
- Medical/other acceptable reasons

Forgiveness and Discharge

- Loan forgiveness programs include Teacher Loan Forgiveness and Public Service Loan Forgiveness.
- Loan discharge can occur in cases of the death of the student, total and permanent disability, and in some cases related to school activities.
- In general, though, student loans cannot be discharged, even in the event of personal bankruptcy.