LOAN MONEY
Now and Later

Presented by: Bobbie Bishop, Student Financial Planning
Agenda

1. Loan Highlights
2. Money Basics
3. Spending Less is Ok
4. Plastic
5. It Wasn’t Me
6. Reports and Scores
7. Life after College
LOAN HIGHLIGHTS

FAFSA

Loan Money

School Docs

MPN

Entrance Counseling
**William D. Ford Federal Direct Loan**

**Stafford Loan**
- a.k.a. Student Loan
- Undergrad degree
- Graduate degree
- Your Name = You owe

**PLUS loan**
- Parent loan for dependent student
- Parent’s Name = Parent Pays
- Student Loan for Graduate degree
- Your Name = You Owe

**OR**
Pay it Back

- The full amount
- Unable to find a job
- Take a job not in your field
- Do not finish school
- Do not receive a bill
- **Subsidized**
  - No interest while:
    - In school ½ time
    - Grace period
    - Deferment
  - Repayment
  - Loans 7/2014 – 6/2015
  - Interest Rate
  - 4.66%

- **Unsubsidized**
  - Interest
  - 4.66%

- **No interest**
REPAYMENT

After Grace Period ends

Grace Period = 6 months

Less than \( \frac{1}{2} \) enrollment
Repayment Plans

- **Standard** – fixed amount. 10 years
- **Graduated** – starts low and increases. 10 years
- **Extended** – lower payments stretched out. 25 years
- **Income Contingent** – based on income and debt. 25 years
- **Income Based** – partial financial hardship. 25 years
- **Pay as You Earn** – Partial financial hardship. 20 years
### Looking Ahead

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Repayment Time</th>
<th>Monthly Payment</th>
<th>Amount Paid Back</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,500</td>
<td>7 years, 4 mos.</td>
<td>$50</td>
<td>$4,450</td>
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<tr>
<td>$6,439</td>
<td>10 years</td>
<td>$74</td>
<td>$8,892</td>
</tr>
<tr>
<td>$23,186</td>
<td>10 years</td>
<td>$267</td>
<td>$32,019</td>
</tr>
<tr>
<td>$31,000</td>
<td>10 years</td>
<td>$357</td>
<td>$42,810</td>
</tr>
<tr>
<td>$57,500</td>
<td>10 years</td>
<td>$662</td>
<td>$79,405</td>
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<tr>
<td>$138,500</td>
<td>10 years</td>
<td>$1,594</td>
<td>$191,264</td>
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</table>
Average Federal Student Loan Debt*

- Single year of college
  - $6,707
- 4-years university
  - $26,830

*Federal Student Aid, 8.1.2014
If you don’t pay

Delinquent

Default

Consequences
CONSEQUENCES

Collections

Wages Garnished

Lose
• Deferment
• Forbearance
• Student Aid

Bad credit

Federal Offset
Live like a student - While a student
Manage your Money
Don’t let the money manage you

Organize

1 List where the money goes

Create a budget

2 Have a goal
Income less expenses

Make a plan

3 Plan for the what if’s

<table>
<thead>
<tr>
<th>Item</th>
<th>Income</th>
<th>Bills</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job</td>
<td>$500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td>$250</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td></td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>Misc.</td>
<td></td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$500</td>
<td>$450</td>
<td>$50</td>
</tr>
</tbody>
</table>

mappingyourfuture.org
SPENDING LESS IS OK

FREE COUPONS

Cellfire  Walmart  Walgreens  Target
Kroger  There's a way
CVS  entertainment  Valpak
P&amp;G  nlmart  riteaid
SavingsStar  redplum  coupon
FREEBIE-DEPOT.COM
Your Place for FREE Stuff Daily!

CITY LIMIT
TIGHTWAD
POP. 63

SAVING AV
SPENDING ST
1. Paper, electronic, Groupon, Living Social, Scout Mob

2. Smartphone, AppShopper, Amazon Price Check

3. Resist impulse buying. Is it in your budget? Is it a need or a want? Do you have the money? Will you take away money from something else? Is it on sale, or can you find it cheaper?
SAVE THE PLASTIC

1. American Express
2. Visa
3. Mastercard
4. Discover
5. TJ Maxx
6. Shell
7. Macy’s
CREDIT CARDS

**Good**
- Establish credit
- Track purchases
- Widely accepted
- Travel
- Easy and fast

**Bad**
- Impulse buying
- Overspending
- Ruin credit
- Discounts pull you in
- Doesn’t feel like money is spent
QUICK TIPS — CREDIT CARDS

- Read the fine print
- Don’t apply all over
- Use only for an emergency
- IF you charge, only do what you can payoff that month
- Say NO to cash advances
Identity Theft

I swear,

It wasn't me
PERSONALLY IDENTIFIABLE INFORMATION (PII)

- Don’t share PII
- Create good passwords and PINs
  - ChOcOl@t3
- Secure web-sites
- Secure laptop, Smartphone, and IPad
- Shred documents
- Leave your SS card at home
Identity Theft

- With your PII

Someone can

- Open loans or credit cards
- Shop online, in store (point of purchase)
- Take your money
- Leave a debt you can’t crawl out of
Credit Reports

- Addresses
- Employment
- Financial
  - Student loans
  - Credit cards
  - Car loans
  - Cell phone
- Credit applications and inquiries
- Bankruptcies, liens, garnishments
CONSUMER REPORTING AGENCIES

Experian
1.888.397.3742

TransUnion
1.800.680.7289

Equifax
1.800.525.6285
Credit Reports

• **Free annual Report**
  1.877.322.8228
  - www.annualcreditreport.com
  ✔ 1 every four months

• **Review all three credit reports**
  Look for any errors
  - Report or dispute errors
  ✔ Follow-up
Credit Scores

FICO® Score

- Payment history: 35%
- Amounts owed: 30%
- Length of credit history: 15%
- New credit: 10%
- Types of credit used: 10%
Credit Score

• **Fair Isaac Corporation - FICO®**
  300 - 850
  -3 different scores

• **Reduction in Score**
  Late or missed payments
  -Debt to income ratio
    ✓ Loan defaults, Bankruptcy
    ✓ Hits ~ Applications
Life after College
LIFE AFTER COLLEGE

- Redo your budget
  - Include student loans
  - Include savings plan

- Know who and what you owe
  - National Student Loan Data System
    - NSLDS
LOAN REPAYMENT

- NSLDS
  - www.nslds.ed.gov
  - 1.800.433.3243

- Calculate student loan payment

- Compare repayment options

- Contact your servicer
## Direct Loan Servicers

<table>
<thead>
<tr>
<th>Servicer</th>
<th>Phone</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspire Resources</td>
<td>1.855.475.3335</td>
<td>aspireresourcesinc.com</td>
</tr>
<tr>
<td>Cornerstone</td>
<td>1.800.663.1662</td>
<td>mycornerstoneloan.org</td>
</tr>
<tr>
<td>ESA/Edfinancial</td>
<td>1.855.337.6884</td>
<td>edfinancial.com</td>
</tr>
<tr>
<td>Fed Loan Servicing (PHEAA)</td>
<td>1.800.699.2908</td>
<td>myfedloan.org/</td>
</tr>
<tr>
<td>Granite-State</td>
<td>1.888.556.0022</td>
<td>gsmr.org</td>
</tr>
<tr>
<td>Great Lakes Educational</td>
<td>1.800.236.4300</td>
<td>mygreatlakes.org</td>
</tr>
<tr>
<td>MOHELA</td>
<td>1.888.866.4352</td>
<td>mohela.com</td>
</tr>
<tr>
<td>Navient</td>
<td>1.800.722.1300</td>
<td>navientcom</td>
</tr>
<tr>
<td>Nelnet</td>
<td>1.888.486.4722</td>
<td>nelnet.com</td>
</tr>
<tr>
<td>OSLA Servicing</td>
<td>1.866.264.9762</td>
<td>osla.org</td>
</tr>
<tr>
<td>VSAC Federal Loans</td>
<td>1.888.932.5626</td>
<td>vsacfl.org</td>
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</table>
THANK YOU!