STUDENT LOAN ENTRANCE COUNSELING

August 17, 2015
AGENDA

1. • Loan Highlights
2. • Money Basics
3. • Protecting Your Identity
4. • Reports and Scores
5. • Life After College
Loan Highlights

FAFSA.gov  FAFSA  
FAFSA.gov  Master Promissory Note  StudentLoans.gov  Entrance Counseling

Loan “Ready to Originate”
# William D. Ford Federal Direct Loan Program

<table>
<thead>
<tr>
<th>Direct “Stafford” Loan</th>
<th>PLUS Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>aka Student Loan</td>
<td>Parent PLUS Loan for dependent student</td>
</tr>
<tr>
<td>Used for Undergraduate degree</td>
<td>Parent’s Name = Parent Owes</td>
</tr>
<tr>
<td>Can be used for Graduate degree</td>
<td>Grad PLUS</td>
</tr>
<tr>
<td>Your Name = You Owe</td>
<td>Can be used for Graduate degree</td>
</tr>
<tr>
<td></td>
<td>Your Name = You Owe</td>
</tr>
</tbody>
</table>
Undergraduate Loan – 2015-16

**Subsidized**
- No interest or payments while:
  - In school ½ time
  - Grace period
  - Deferment
- Repayment Interest Rate will be 4.29%

**Unsubsidized**
- No payments while:
  - In school ½ time
  - Grace period
  - Deferment
- Interest accrues while in-school at 4.29%

**Subsidized**
- No Interest*
- Must qualify based on “Need”

**Unsubsidized**
- Available without “Need”
- Interest accrues
Loan Highlights

• Average Federal Student Loan Debt, 2013-14
  • First year, Union students:
    • $5,953
  • First year, all students
    • $6,707
Loan Highlights

• Average Federal Student Loan Debt, 2013-14
  • First year, Union students:
    • $23,169
  • First year, all students:
    • $26,830
Loan Highlights - Repayment

- After Grace Period ends
- Grace Period = 6 months
- Less than ½ enrollment (<6 hrs)
Loan Highlights – 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
# Loan Highlights – Repayment Plans

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Repayment Time</th>
<th>Monthly Payment</th>
<th>Amount Paid Back</th>
<th>Minimum Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,500</td>
<td>7 years, 4 mos.</td>
<td>$50</td>
<td>$4,450</td>
<td>$6,041</td>
</tr>
<tr>
<td>$6,439</td>
<td>10 years</td>
<td>$74</td>
<td>$8,892</td>
<td>$11,115</td>
</tr>
<tr>
<td>$23,186</td>
<td>10 years</td>
<td>$267</td>
<td>$32,019</td>
<td>$40,023</td>
</tr>
<tr>
<td>$31,000</td>
<td>10 years</td>
<td>$357</td>
<td>$42,810</td>
<td>$53,512</td>
</tr>
<tr>
<td>$57,500</td>
<td>10 years</td>
<td>$662</td>
<td>$79,405</td>
<td>$99,256</td>
</tr>
<tr>
<td>$138,500</td>
<td>10 years</td>
<td>$1,594</td>
<td>$191,264</td>
<td>$239,079</td>
</tr>
</tbody>
</table>
Loan Highlights

• If you don’t pay...😊
  • Delinquent
  • Default
  • Serious Consequences...
Loan Highlights

• Loss of benefits:
  • Deferment
  • Forbearance
  • Consolidation
  • Eligibility for other Federal Student Aid
Loan Highlights

• Collections
• Wages Garnished
• Bad credit
• Federal offset of your IRS tax refund

There is no statute of limitations on federal loans...they do not go away until they are paid back.
Money Basics

• Organize
  • List where your money goes

• Create a budget
  • Tithe first!
  • Have a goal – ex. save $100/month
  • Income vs. Expenses

• Plan for the “what if...?”
Money Basics

• Use Coupons, Groupon, SnagMob
• Check prices on Amazon, too
• Resist impulse buying
Money Basics

• Resources
  • [www.feedthepig.org/](http://www.feedthepig.org/)
  • ECO 400 – Personal Financial Management (3 hrs)
Money Basics

• Paper, or plastic? (or electronic?)

<table>
<thead>
<tr>
<th>Credit or Debit Cards – Good?</th>
<th>Credit or Debit Cards – Bad?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish credit</td>
<td>Impulse buying</td>
</tr>
<tr>
<td>Track purchases</td>
<td>Overspending</td>
</tr>
<tr>
<td>Widely accepted</td>
<td>Can ruin credit</td>
</tr>
<tr>
<td>Travel</td>
<td>Discounts can draw you in</td>
</tr>
<tr>
<td>Easy and fast</td>
<td>Too easy and too fast</td>
</tr>
</tbody>
</table>
Money Basics

• Quick Tips – Credit Cards
  • Read the fine print
  • Don’t apply for everything you’re “pre-approved” for
  • Limit use (emergencies, very unusual circumstances)
  • If you charge, pay off your balance in full at month’s end
  • Say NO to cash advances
Protecting Your Identity

• What is PII?
  • Personally Identifiable Information
    • Name
    • SSN
    • DOB
  • Don’t share it! At least, share only what is necessary
Protecting Your Identity

• Create good strong passwords
• Make sure websites are secure
• If an email looks phishy...
• Keep your hardware secure
• Shred documents
• Leave your SS card at home
Credit Reports and Scores

• What is a credit report?
  • Addresses
  • Employment
  • Financials (student loans, credit accounts, car loans, cell phone)
  • Credit applications and inquiries
  • Bankruptcies, liens, garnishments
Credit Reports and Scores

- Experian
  1.888.397.3742

- TransUnion
  1.800.680.7289

- Equifax
  1.800.525.6285
Credit Reports and Scores

• Free annual credit report
  • 877.322.8228
  • www.annualcreditreport.com
  • Review all three credit reports from each agency
    • 1 every 4 months
  • Report or dispute errors
Credit Reports and Scores

• Fair Isaac Corporation – FICO®
  • 300-850
  • Scored by each agency
  • What reduces my score?
    • Late or missed payments
    • Debt-to-income ratio
    • Loan defaults, bankruptcy
    • “Hits” – applications or inquiries
Credit Reports and Scores

FICO® Score

- Payment history: 35%
- Amounts owed: 30%
- Length of credit history: 15%
- New credit: 10%
- Types of credit used: 10%
Life After College

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

- Know who and what you owe
  - National Student Loan Data System
  - [www.nslds.ed.gov](http://www.nslds.ed.gov)
  - Use your Federal Student Aid (FSA) ID to log in
# Federal 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 – GSMR</td>
<td>1.888.556.0022</td>
<td>gsmr.org</td>
</tr>
<tr>
<td>Great Lakes Educational Loan Services</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 (formerly part of Sallie Mae)</td>
<td>1.800.722.1300</td>
<td>navient.com</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>
</tr>
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</table>
DID YOU KNOW...

...you can view your financial aid and account info on the Portal?
portal.uu.edu
DID YOU KNOW...

...credit refund dates are listed on our website?

uu.edu/financialaid
DID YOU KNOW...

...you can file the FAFSA on January 1?

fafsa.ed.gov
Thank you for your attention today!