

# Live Life Smart Guide

Helpful Tips to Manage Your Student Loans



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# Introduction

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Congratulations on your decision to pursue a higher education! Upon completion, this can significantly boost your earning potential. To help you build a healthy financial future, we want to provide any information we can to balance your educational goals with good borrowing decisions. In combination, this guide and careful financial planning can help you set up your finances for success.

When you borrow federal student loans, you have six months (a loan's grace period) from the time you graduate or drop below half-time student status until you are required to start making payments (repayment). Nelnet is one of the federal student loan servicers who may process your student loan payments and answer your questions on behalf of the U.S. Department of Education. Our years of experience in the student loan and financial industries have given us a wealth of knowledge that we want to share with you to help you be in the best possible financial position.

## How to Live Life Smart:

- Use this document to learn about how to set a budget, pick a repayment plan, and more.
- If Nelnet is one of your servicers, create or log in to your Nelnet.com account to update your contact information and view account information including due dates, payment amounts, and repayment options.
- Review the Disclosure of Repayment Schedule that you'll receive halfway through your loan's grace period (this is not a bill; it contains details about your federal student loans).
- Get the details on all of your student loans online through the U.S. Department of Education's National Student Loan Data System (NSLDS) at [NSLDS.ed.gov](http://NSLDS.ed.gov). You will need your FSA ID to access the site; you can find your FSA ID at [NSLDS.ed.gov](http://NSLDS.ed.gov).
- Review your student loan billing statements. If Nelnet is one of your servicers, your Nelnet billing statement will be sent about three weeks before your first payment is due. You can choose to receive electronic or paper statements at Nelnet.com.



# The Life of a Student Loan

**This may be your first time filling out the FAFSA™ and terms like “loan servicer” may be new to you. Don’t stress, here’s a chart that explains the process of student loans, scholarships, and repayment.**

## STEP 1: PLANNING FOR SCHOOL

If, in addition to scholarships and grants, you need Federal Student Aid to help pay for college, you will have to fill out the Free Application for Federal Student Aid (FAFSA) at FASFA.gov.



## STEP 2: THE AWARDING PROCESS

Based on your FAFSA, your school’s financial aid office will decide how much aid to award you, and the U.S. Department of Education will then disburse these funds.

When funds are disbursed, they will be sent directly to your school to cover educational costs.



## STEP 3: WHILE YOU’RE IN SCHOOL

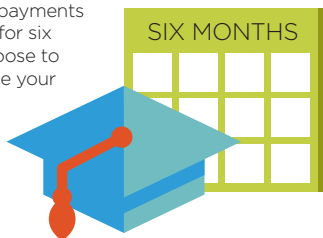
If federal student loans are part of your award, the Department of Education will assign you a student loan servicer after they are disbursed.

Loan servicers are here to help you manage your student loans, from disbursement to payoff. To learn more about the life of your loans, visit [Nelnet.com/Stages-Of-A-Student-Loan](http://Nelnet.com/Stages-Of-A-Student-Loan).



## STEP 4: AFTER SCHOOL AND BEYOND

When you graduate or leave school, you are not required to make payments on your federal student loans for six months. However, you can choose to pay ahead; this will help reduce your overall balance.



Throughout your repayment period, your student loan servicer will help you choose the repayment plan that’s right for you.

Whether you have questions about your loans or are struggling to make payments, let your servicer know – we’re here to help!

# Financial Literacy

Resources and Tips to Help you Get (and Stay) Financially Stable





# Managing Your Money

## Nine Tips to Achieving Financial Wellness

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### 1. Know Where Your Money Goes

Be aware of how you are spending your money. A \$4 cup of coffee five days a week costs you \$80/month. Review items you spend your money on to find areas where cutting back can grow your savings account.

### 2. Develop a Budget

Plan for your spending by developing a budget and live within your means based on your monthly income. Make adjustments to remain within your budget and don't use a credit card to cover a shortfall or unnecessary purchases.

### 3. Include Savings in Your Budget

Pay yourself first. Treat your savings account like any other monthly bill by making a monthly payment toward it.

### 4. Plan for Major Purchases

Adjust your budget accordingly to build savings for your next major purchase without using credit.

### 5. Save for Emergencies

A good rule of thumb is to have a minimum of six months, salary available in your savings account. While this goal will take time to achieve, it is important to strive for it so that you're prepared for most unexpected emergencies.

### 6. Plan for Retirement

Take advantage of interest and market upturns by saving for retirement early. Often your employer will help you save for retirement with a 401(k) plan. You can also benefit from pre-tax contributions using this method of retirement savings.

### 7. Get tax Advice

If you have circumstances that create tax dilemmas (e.g., self-employed, own and/or lease property, etc.), make sure to seek tax advice from a professional for the best outcome.

### 8. Protect Your Credit

You have the right to pull a free credit report from each reporting bureau once per year by going online to [AnnualCreditReport.com](http://AnnualCreditReport.com). Keep in mind that late payments will adversely impact your credit, as will a failure to pay. You should immediately report any credit issues or discrepancies to the reporting bureau. Use your credit wisely and ensure your reports are accurate.

### 9. Keep Good Financial Records

Utilize online tools as well as paper copies of receipts to keep records of your pay stubs, banking information, taxes, insurance, and other documents important to your financial situation.



# Set Your Financial Goals

Healthy financial habits start by setting sound financial goals. Develop a realistic path to achieving your goals by filling in the chart below.

General information			
<b>Monthly Household Net Income:</b>		<b>Number of Dependents:</b>	
<b>Monthly Necessary Expenses:</b>		<b>Your Age:</b>	
<b>Amount Remaining to Save for Goals:</b>		<b>Expected Graduation Date:</b>	
Identify goals, cost, timeline, savings method, and anticipated rate of return.			
Set your goals	Goal #1:	Goal #2:	Goal #3:
Total cost of each goal			
Current funds available			
Time needed to achieve each goal			
Monthly contribution to achieve goal			
Funding source for monthly contribution			
Method for saving/investing for goal			
Expected interest rate/rate of return			

**There could be risks that might keep you from reaching your goals.  
In many cases, insurance can help protect against these risks.**

Risks: Identify risks below that could keep you from reaching your goals and then check the boxes for any insurance you have that can protect you from each risk.	Type of Insurance with Monthly Cost					
	Life \$	Health \$	Disability \$	Auto \$	Home/Renters \$	\$



# Budget Worksheet

It's easy to prepare a budget. Common categories are included in this worksheet - just fill in the amount you typically spend in the Budget column. Use the Actual column to record spending to see if your budget is on target or needs to be adjusted. Check your billing statements and receipts for the most accurate numbers.

Monthly Expenses	Budget	Actual	Monthly Expenses	Budget	Actual
<b>Deductions</b>			<b>Personal and Health</b>		
Savings (to be set aside)	\$	\$	Clothing	\$	\$
Child Support/Alimony	\$	\$	Toiletries/Care Products	\$	\$
Other:	\$	\$	Haircuts	\$	\$
<b>Housing</b>			Monthly Dues/Fees	\$	\$
Rent/Mortgage Payment	\$	\$	Insurance (Health, Life)	\$	\$
Utilities (e.g. Gas, Water, Electric)	\$	\$	Doctor/Dentist Visits	\$	\$
Home Insurance and Taxes	\$	\$	Prescriptions/OTC Drugs	\$	\$
Home Owner's Association Fees	\$	\$	Laundry/Dry Cleaning	\$	\$
Cable/Satellite/Streaming Service	\$	\$	Other:	\$	\$
Internet	\$	\$	<b>Education</b>		
Phone	\$	\$	Tuition	\$	\$
Other:	\$	\$	Books/Fees	\$	\$
<b>Debt Payment</b>			Supplies	\$	\$
Credit Cards Payments	\$	\$	Other:	\$	\$
Student Loans	\$	\$	<b>Entertainment</b>		
Other:	\$	\$	Concerts/Movies	\$	\$
<b>Food</b>			Sporting Events	\$	\$
Groceries	\$	\$	Sports/Recreation Equipment	\$	\$
Eating Out/Fast Food	\$	\$	Music, Streaming Services, Video Games	\$	\$
Campus Meal Plan	\$	\$	Other:	\$	\$
Other:	\$	\$	<b>Miscellaneous/Unexpected</b>		
<b>Transportation</b>			Gifts/Charity	\$	\$
Car Payment	\$	\$	Pet Supplies/Vet	\$	\$
License and Registration	\$	\$	Traffic Ticket	\$	\$
Gas/Oil	\$	\$	Car Repair	\$	\$
Normal Car Maintenance	\$	\$	Home Repair/Improvement	\$	\$
Public Transit, Parking, Toll	\$	\$	Entertaining Guests	\$	\$
Other:	\$	\$	Other:	\$	\$
<b>Family</b>			<b>Monthly Net Income</b>	\$	\$
Day Care/Babysitting	\$	\$	= Monthly Spendable Income	\$	\$
Activities/Lessons	\$	\$	<b>- Total Expenses (from above)</b>	\$	\$
Pet Sitting	\$	\$			
Other:	\$	\$			





# Strategies to Save Money



## Housing

- Set your thermostat lower
- Unsubscribe from your cable/satellite TV service
- Turn off the lights when not in use
- Get a roommate
- Live at home or with a relative

## Entertainment

- Eat out less frequently
- Eat early and take advantage of happy hours and early bird specials
- Split or share meals with friends
- Make your own lunch and bring it to work
- Use restaurant coupons
- Learn to cook your own meals
- Rent movies
- Go to the movies in the afternoon rather than in the evening
- Visit local libraries, museums, and parks
- Participate in sports
- Read a book or hike a trail

## Food

- Use a shopping list
- Use coupons
- Compare prices
- Buy in bulk
- Don't shop more than once a week
- Don't buy what you can't or won't use

## Transportation

- Utilize public transportation
- Carpool with a friend or family member
- Ride your bike or walk
- Regularly have your oil changed and use coupons for auto maintenance
- Make sure your tires are properly inflated

## Personal/Health

- Exercise
- Don't smoke
- Drink alcohol in moderation
- Give yourself your own manicure and/or pedicure
- Use coupons or take advantage of specials for haircuts
- Cancel unused club or gym memberships
- Buy generic and OTC medications

## Debt Payments

- Stop using credit cards as a primary payment method
- Pay off the full balance on each credit card at the end of the month

## Miscellaneous

- Make a budget
- Consider wants vs. needs
- Don't spend money to relieve stress
- Avoid impulse purchases such as coffee or candy
- Give homemade gifts or give the gift of service rather than a retail item



# Credit Card Tips

Properly managing a credit card is a big responsibility. Credit cards can help establish and improve your credit score if they're used properly. They can also damage your credit score and get you into serious debt if you don't know what you're doing. Use the tips below to make sound financial decisions.

## 1. Shop Around

Select a card that has the lowest interest rate and fee structure, and be sure to read the fine print. You'll also need to know about late charges, other fees, and grace periods. Make sure you know the card's Annual Percentage Rate (APR) and how it's calculated. Shop around for the best deal and be wary of card offers that seem too good to be true.

## 2. Limit the Number of Cards you Have

One credit card should be sufficient. Applying for a lot of credit at any given time can hurt your credit score and possibly make you a high credit risk. This can affect your ability to get loans or to rent an apartment. In addition, closing several credit cards at once will trigger a decrease in your overall credit score.

## 3. Set Your Minimum Balance low

This helps you control your spending habits. Spending up to your credit limit – or maxing out your credit card – suggests you could be a credit risk since you might be likely to overspend.

## 4. Pay off Your Balance Each Month

This takes discipline, and it saves you money in the long run. If you can't pay off the entire balance on all of your credit cards, pay off your higher interest rate cards first and always pay off more than the minimum balance.

## 5. Avoid Late Payments

Late payments are bad for your credit, and a credit card company could use a single late payment as justification for raising your interest rate going forward. This could cost you hundreds (or even thousands) of dollars over time.

## 6. Review Your Monthly Statement

Save your receipts so you can carefully compare the charges on your credit card receipts with your records to ensure an accurate monthly statement.

## 7. Balance Wants vs. Needs

If you've had problems with impulse spending, don't carry all of your credit cards with you. Consider carrying a single card for emergencies only. It also helps to think in terms of wants vs. needs when it comes to spending money with your credit card. By resisting the temptation to spend impulsively with credit cards, you can maintain a healthy credit score with little risk of getting in over your head.

## 8. Reconsider Large Purchases

If you are considering putting a large purchase on your credit card, put yourself through a waiting period before you actually make the purchase. Remember, a large purchase will need to be paid off sooner or later, and you want to make sure you're paying the least amount of interest on your credit cards as possible.

## 9. Cash Advances

Beware – the cash looks attractive, but interest accrues from the moment you accept the cash, and you will also be assessed transaction fees. This means a quick \$20 withdrawal from an ATM by using your credit card could easily cost you \$30 or more.

**REMEMBER: You'll lead a much happier life if you take control of your spending, instead of letting your spending take control of you.**



# How to Avoid Identity Theft

Identity theft occurs when a person commits fraud while posing as someone else. The threat of identity theft is real and can take months or even years to recover from. Use the information below to familiarize yourself with the precautions you can take to minimize the chance of becoming a victim and, if you are a victim, help you recover from the situation.

## Follow These Helpful Hints to Avoid Becoming a Victim of Identity Theft:

### Personal:

1. Order a copy of your credit report on a frequent basis (at least annually, preferably quarterly). You can request your credit report at [AnnualCreditReport.com](http://AnnualCreditReport.com).
2. If you have to give private information over the phone, ensure you are in a secure location.
3. Shred all financial statements, billing statements, and pre-approved credit card offers.
4. The IRS does not request personal/financial data through email, so don't respond to any emails asking for that information.
5. Check your financial accounts regularly.
6. Select Personal Identification Numbers (PIN) and passwords carefully so they can't be easily guessed by someone else.
7. Don't give out private information over the phone or internet unless you have initiated the contact or know for certain to whom you are speaking.
8. Destroy your computer's hard drive if you are selling it or giving it away.
9. Don't carry your Social Security Card with you.
10. Don't carry your registration in your vehicle, instead carry it in your wallet.
11. Make photo copies of all of the cards in your wallet and keep them in a safe place.

### E-Commerce:

1. Ensure you are using an ATM without someone watching you.
2. Pay your bills online using a secure website.
3. Avoid entering your credit card number online unless it is encrypted on a secure website.

### Mail:

1. Take outgoing personal and/or bill payments to U.S. Postal Service mailboxes or drop them off inside a post office.
2. Have the post office hold your mail when you are out of town.
3. Don't leave mail sitting in an unprotected mail box.

### Banking:

1. Review monthly bank and credit card statements for mistakes or unfamiliar charges.
2. Have your paychecks directly deposited into your bank account.
3. Avoid providing personal information over the phone or via the internet.

## If You Are - or Become - a Victim of Identity Theft, Follow These Steps to Protect Yourself:

1. Contact the Federal Trade Commission (FTC) at [FTC.gov](http://FTC.gov) or 877.438.4338.
2. Contact the fraud departments of any one of the four major credit bureaus:
  - Equifax ..... 800.525.6285
  - TransUnion ..... 800.680.7289
  - Experian ..... 888.397.3742
  - Innovis ..... 800.540.2505
3. Close the accounts that have been used fraudulently.
4. File a police report.
5. Keep an identity theft log for your personal records.
6. Contact other agencies that might be involved: Social Security Administration's Fraud Hotline (800.269.0271), U.S. Postal Inspection Service (888.877.7644), and the Internal Revenue Service (800.829.0433).

# Loan Repayment

Repayment Plan Options and More





# 2016–2017 Federal Student Loan Programs

## What Is a Federal Student Loan?

Federal student loans are funds borrowed from the U.S. Federal Government that you must repay, along with the interest that accrues. A federal student loan allows you and your parents to borrow money to help pay for college through federal government programs.

## What Is a Private Student Loan?

Private loans are nonfederal loans issued by private lenders like banks or credit unions. Private student loans often have higher interest rates and loan fees than federal student loans, typically require a credit check, and do not provide as many flexible repayment options and plans.

## How can I Tell the Difference?

If you are not sure whether you're being offered a private student loan or federal student loan, check if the name of the loan includes the word "federal." If not, ask your school's

financial aid office. Often, private loans are marketed directly to student borrowers. If you do get a private loan, let your school's financial aid office know so they can counsel you on future loans and financial wellness.

## Why Are Federal Student Loans a Better Option to Pay for College?

Federal student loans offer borrowers many benefits not typically found with private loans, including low, fixed interest rates, a six-month grace period during which no payments are due, income-driven repayment options, ways to lower or postpone payments, loan forgiveness or discharge based on your job or disability, and deferment options for military or volunteer service or if you return to school. You should explore all of your federal student loan options before considering a private loan.

## What Types of Federal Student Loans Are Available and how Much Can I Borrow?

Loan Program	Eligibility	Fixed Annual Interest Rate	Annual Loan Limit	Maximum Loan Amount Allowed Upon Graduation	Details
Federal Perkins Loans	Undergraduate and graduate students who are enrolled at least part time and who demonstrate financial need	5%	<b>Undergraduate students:</b> Up to \$5,500 <b>Graduate students:</b> Up to \$8,000 Amount received depends on financial need, amount of other aid, and availability of funds at school	<b>Undergraduate students:</b> \$27,500 <b>Graduate students:</b> Up to \$60,000 (this amount includes undergraduate loans)	Your college is the lender
Federal Direct Subsidized Stafford Loans	Undergraduate students who are enrolled at least half time Must demonstrate financial need	<b>Undergraduate students:</b> For loans first disbursed on or after July 1, 2016, and before July 1, 2017: 3.76%	\$3,500–\$5,500, depending on year in school See Annual Loan Limit chart below	<b>Undergraduate students:</b> \$23,000	The U.S. Department of Education is the lender The federal government pays interest while you are in school at least half time, in grace, or in a deferment
Federal Direct Unsubsidized Stafford Loans	Undergraduate and graduate students enrolled at least half time Financial need is not required	<b>Undergraduate students:</b> For loans first disbursed on or after July 1, 2016, and before July 1, 2017: 3.76% <b>Graduate students:</b> For loans first disbursed on or after July 1, 2015, and before July 1, 2016: 5.31%	\$5,500–\$20,500 (less any subsidized amount received for the same period) depending on year in school and dependency status See Annual Loan Limit chart below	<b>Dependent<sup>1</sup> undergraduate students:</b> \$31,000 <b>Independent<sup>2</sup> undergraduate students:</b> \$57,500	The U.S. Department of Education is the lender You are responsible for paying all interest on the loan starting on the date the loan is first disbursed

Loan Program	Eligibility	Fixed Annual Interest Rate	Annual Loan Limit	Maximum Loan Amount Allowed Upon Graduation	Details
Federal Direct PLUS Loans	<p>Graduate and professional students and parents of dependent undergraduate students</p> <p>Student must be enrolled at least half time</p> <p>Financial need is not required</p> <p>Those qualifying must not have adverse credit history</p>	For loans first disbursed on or after July 1, 2016, and before July 1, 2017: 6.31%	The student's Cost of Attendance (determined by the school) minus any other financial aid received	No aggregate limit for PLUS Loans	<p>The U.S. Department of Education is the lender</p> <p>The loan is unsubsidized (you are responsible for paying all interest)</p>
Federal Direct Consolidation Loans	<p>Students who want to combine multiple federal student loans into one payment</p> <p>Parent PLUS loans cannot be transferred to the student or become the student's responsibility</p>	<p>Fixed rate is based on the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest one-eighth of 1%</p> <p>There is no cap on the interest rate for a Consolidation loan.</p>	Not applicable	Not applicable	<p>The U.S. Department of Education is the lender</p> <p>Apply online or print an application at StudentLoans.gov or call 800.557.7392 to see if this option is right for you</p>

<sup>1</sup>A dependent student is not married, is younger than 24, does not have children, is not a member of the armed forces, and is not a veteran. A dependent student reports parental income on the FAFSA. <sup>2</sup>An independent student is married, at least 24, has children, is a member of the armed forces, or is a veteran. An independent student does not report parental income on the FAFSA.

## What are my Annual Loan Limits?

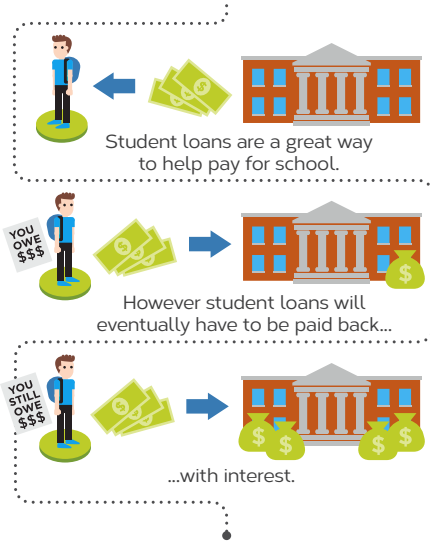
Limits are determined by your class standing and dependency status. A dependent student whose parent is denied a PLUS loan may be eligible for Federal Stafford Loans at the independent level. Contact your school to see if this applies to you.

YEAR	INDEPENDENT			DEPENDENT		
	Maximum Subsidized	Additional Unsubsidized	Combined	Maximum Subsidized	Additional Unsubsidized	Combined
Freshman	\$3,500	\$6,000	\$9,500	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$6,000	\$10,500	\$4,500	\$2,000	\$6,500
Junior/Senior	\$5,500	\$7,000	\$12,500	\$5,500	\$2,000	\$7,500
Graduate	N/A	\$20,500	\$20,500	N/A	N/A	N/A



# Ten Things You Should Know About Student Loans

## 1: BORROW ONLY WHAT YOU NEED



### Minimize loans as much as possible

Take advantage of all grants, scholarships, and work-study opportunities available to you before you borrow student loans. Your financial aid advisor can help you borrow only what you need.

## 2: HAVE A PLAN

- TUITION +
- BOOKS +
- FOOD +
- HOUSING +
- BILLS +
- LAB FEES +
- PARKING +
- SUPPLIES +
- \$\$\$.\$\$\$

Map out the cost of your entire education and how you'll pay for it.

For tools and resources to help you build a healthy financial future, visit [Nelnet.com/Get-Financially-Fit](http://Nelnet.com/Get-Financially-Fit).

## 3: CREATE AND FOLLOW A MONTHLY BUDGET



Before you graduate, create an estimated monthly budget that factors in your future monthly student loan payment. Several repayment plans are available to fit your budget.

Budget worksheets and resources are available at [Nelnet.com/Get-Financially-Fit](http://Nelnet.com/Get-Financially-Fit).

## 4: UNDERSTAND YOUR LOANS

There are several different kinds of loans. Here are some key factors to be aware of:

### SUBSIDIZED VS. UNSUBSIDIZED

Accrued interest for subsidized loans is paid by the government while you're in school.<sup>1</sup> Unsubsidized loans require immediate interest repayment.

### FEDERAL VS. PRIVATE

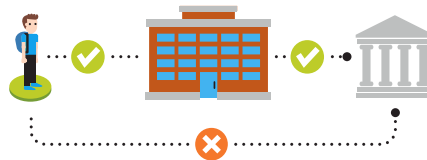
Federal loans are funded by the federal government while private loans are issued by banks or similar institutions. They can help bridge any financial gap not covered by federal loans.

### FIXED INTEREST VS. VARIABLE INTEREST

Fixed rates are constant for the life of the loan, but variable interest rates are adjusted annually on July 1.

Find more loan terminology at [Nelnet.com/Terms-To-Know](http://Nelnet.com/Terms-To-Know).

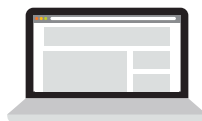
## 5: KNOW YOUR SERVICERS



Federal loans are managed by loan servicers: we're here to help you.

Servicers send important loan info, collect payments, and answer questions. To find out who the loan servicers are for your federal student loans, visit [NSLDS.ed.gov](http://NSLDS.ed.gov).

## 6: SET UP AN ONLINE ACCOUNT



An online account with your servicer is an easy way to connect with them and keep your contact information current.

Visit your servicer's website to create your online account today!

## 7: MAKE PAYMENTS WHILE IN SCHOOL (EVEN IF IT'S ONLY A LITTLE)

Even if you can only afford

**\$5 PER MONTH**



That's only 1 latte OR 4 song downloads

Making small payments now will help reduce your principal and/or interest balance in the long run.

## 8: YOU HAVE REPAYMENT OPTIONS



If you need to lower or postpone your payments or seek other repayment options, including forgiveness or discharge of your student loan, contact your servicer today.

## 9: REPAYMENT IS EASIER WHEN YOUR OVERALL DEBT IS LOWER



During college, avoid racking up credit card debt or purchasing unnecessary big-ticket items. When you graduate, you can focus on paying down your student loans instead of juggling multiple (avoidable) monthly payments.

## 10: KEEP IN TOUCH!



Stay in touch with your servicers and ask questions as your situation changes.



# Student Loan Repayment Plans

When repaying your student loan, consider which repayment plan could best meet your needs. Choosing the right plan for your situation is important to keep your finances in order. Contact your student loan servicer to find the best option for you. You can find out which company is servicing your loan by visiting [NSLDS.ed.gov](http://NSLDS.ed.gov).

## Standard Repayment (FFELP & Direct Loans)<sup>1</sup>

- Fixed monthly payment over a 10-year repayment term
- Monthly payments are at least \$50
- Loan is repaid in the shortest amount of time
- Least amount of interest is paid

## Graduated Repayment (FFELP & Direct Loans)

- Payments start low and increase every two years over a 10-year repayment term
- This plan works well if you expect your income to increase steadily over time
- The minimum amount due will be enough to cover at least the amount of accrued interest
- The monthly payments will never be more than three times greater than the initial payment amount
- You will pay more for your loan over time than under the Standard Repayment Plan

## Extended Repayment (FFELP & Direct Loans)

- Choose a Fixed Standard or Graduated Repayment (up to 25 years)
- Must have a total amount of FFELP loans exceeding \$30,000 or a total amount of Direct Loans exceeding \$30,000 (the \$30,000 minimum cannot be a combination of both loan types); Extended Repayment would then apply based on eligible loan program (e.g., if you have \$30,000 in Direct Loans and another \$5,000 in FFELP Loans, Extended Repayment would only apply to the eligible Direct Loans)
- More interest is paid due to the longer loan term
- All loans under the qualifying program (FFELP or Direct Loans) must have been disbursed on or after October 7, 1998

## Revised Pay As You Earn (REPAYE) Repayment (Most Direct Loans)

- No income requirement to enter this plan
- Your monthly payment will be no more than 10% of your discretionary income<sup>3</sup>
- You may be eligible for loan forgiveness after 20 years if you have only undergraduate-level loans and 25 years if you have at least one graduate- or professional-level loan
- You may have to pay income tax on any amount that is forgiven
- After your first three consecutive years on subsidized loans, and for full REPAYE repayment period on unsubsidized loans, you only have to pay 50% of accrued interest not covered by regular monthly payment amount

## Pay As You Earn (PAYE) Repayment (Direct Loans Only)

- You must not have had an outstanding loan balance on a Direct Loan or FFELP Loan as of October 1, 2007, or no outstanding balance on a Direct Loan or FFELP Loan when you received a new loan on or after October 1, 2007
- Consolidation loans disbursed on or after October 1, 2007, which include (paid-off) loans that were disbursed prior to October 1, 2007, do not qualify
- You must have received a disbursement of a new Direct Loan on or after October 1, 2011
- Your monthly payment will be no more than 10% of your discretionary income<sup>3</sup>
- To be eligible, you must have a partial financial hardship<sup>4</sup>, which is based on your total loan debt, adjusted gross income, and family size
- Your payments will change as your income and family size change
- If you haven't paid your loan in full after 20 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven

## Income-Based Repayment (IBR) (Direct & FFELP Loans)

- Your monthly payment will be no more than 15% (or 10% if you are a new borrower)<sup>2</sup> of your discretionary income<sup>3</sup>
- To be eligible, you must have a partial financial hardship<sup>4</sup> which is based on your total eligible FFELP Loan and Direct Loan debt, adjusted gross income, and family size
- Your payments will change as your income and family size change
- If you haven't paid your loan in full after 25 years (or 20 years if you are a new borrower)<sup>2</sup> of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- While you can request to change to a different repayment plan at any time, you are required to make a payment after exiting the IBR plan before a new repayment plan can be applied<sup>5</sup>

## Income-Contingent Repayment (ICR) (Direct Loans Only)

- Payments are based on family size, AGI, and total balance of all eligible Direct Loans
- Any unpaid interest (due to payment amount) is capitalized annually
- If you haven't paid your loan in full after 25 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven

<sup>1</sup>A Direct Loan is a loan borrowed directly from the U.S. Department of Education. A Federal Family Education Loan Program (FFELP) Loan is a federally guaranteed loan that was borrowed from a company such as a bank, lender, or non-profit organization under the FFEL Program. <sup>2</sup>You are a new borrower for the IBR plan if you had no outstanding balance on a Direct Loan or FFELP Loan as of July 1, 2014 or no outstanding balance on a Direct Loan or FFELP Loan when you obtain a new loan on or after July 1, 2014. <sup>3</sup>Discretionary income is your income minus 150% of the poverty guidelines for your family size. <sup>4</sup>You have a partial financial hardship if the monthly amount you would be required to pay on your IBR or Pay As You Earn eligible loans under a Standard Repayment Plan with a 10-year repayment period is higher than the monthly amount you would be required to repay under IBR or Pay As You Earn. <sup>5</sup>The required payment must be either the amount you would pay under a Standard Plan taking into account the remaining maximum repayment period or under a reduced payment forbearance agreement.



Consider the total interest accrued and the total amount paid under each option when choosing a repayment plan. All dollar amounts and repayment terms are estimates.

**BASED ON: \$10,000 balance / 4.66% interest rate / AGI of \$35,000 / Family Size of 1**

Repayment Plan	Repayment Period	Initial Payment	Final Payment	Total Interest Paid	Total Amount Paid
<b>Standard</b>	120 Months	\$105	\$105	\$2,553	\$12,553
<b>Graduated</b>	120 Months	\$59	\$177	\$3,203	\$13,203
<b>Extended-Fixed</b>	Not Eligible				
<b>Extended-Graduated</b>	Not Eligible				
<b>Income-Based Repayment (IBR)</b>	Not Eligible				
<b>IBR for New Borrowers</b>	Not Eligible				
<b>Pay As You Earn (PAYE)</b>	Not Eligible				
<b>Revised Pay As You Earn (REPAYE)</b>	67 Months	\$143	\$207	\$1,485	\$11,485
<b>Income-Contingent Repayment (ICR)</b>	176 Months	\$73	\$87	\$3,981	\$13,981

**BASED ON: \$20,000 balance / 4.66% interest rate / AGI of \$35,000 / Family Size of 1**

Repayment Plan	Repayment Period	Initial Payment	Final Payment	Total Interest Paid	Total Amount Paid
<b>Standard</b>	120 Months	\$209	\$209	\$5,105	\$25,105
<b>Graduated</b>	120 Months	\$118	\$354	\$6,407	\$26,407
<b>Extended-Fixed</b>	Not Eligible				
<b>Extended-Graduated</b>	Not Eligible				
<b>Income-Based Repayment (IBR)</b>	Not Eligible				
<b>IBR for New Borrowers</b>	139 Months	\$143	\$209	\$6,393	\$26,393
<b>Pay As You Earn (PAYE)</b>	139 Months	\$143	\$209	\$6,393	\$26,393
<b>Revised Pay As You Earn (REPAYE)</b>	127 Months	\$143	\$289	\$6,159	\$26,159
<b>Income-Contingent Repayment (ICR)</b>	176 Months	\$147	\$174	\$7,962	\$27,962

**BASED ON: \$35,000 balance / 4.66% interest rate / AGI of \$35,000 / Family Size of 1**

Repayment Plan	Repayment Period	Initial Payment	Final Payment	Total Interest Paid	Total Amount Paid
<b>Standard</b>	120 Months	\$366	\$366	\$8,934	\$43,934
<b>Graduated</b>	120 Months	\$206	\$619	\$11,212	\$46,212
<b>Extended-Fixed</b>	300 Months	\$199	\$199	\$24,561	\$59,561
<b>Extended-Graduated</b>	300 Months	\$137	\$332	\$30,102	\$65,102
<b>Income-Based Repayment (IBR )</b>	154 Months	\$215	\$366	\$12,987	\$47,987
<b>IBR for New Borrowers</b>	211 Months	\$143	\$366	\$20,245	\$55,245
<b>Pay As You Earn (PAYE)</b>	211 Months	\$143	\$366	\$20,245	\$55,245
<b>Revised Pay As You Earn (REPAYE)</b>	207 Months	\$143	\$449	\$20,168	\$55,168
<b>Income-Contingent Repayment (ICR)</b>	176 Months	\$257	\$305	\$13,933	\$48,933



# Income-Driven Repayment Plans Is One Right for You?

The U.S. Department of Education offers four student loan repayment plans that are based on your income, family size, and student loan balance: Revised Pay As You Earn, Pay As You Earn, Income-Based, and Income-Contingent. Below is an overview of each, including the factors you should consider when deciding if one of these plans is right for you.

## Revised Pay As You Earn (REPAYE)

### How do I qualify?

- You must have a loan that was disbursed under the Federal Direct Loan Program

### What are the key points?

- There is no income requirement to enter this plan
- Your monthly payment will be no more than 10% of your discretionary income
- Your payments will change as your income and family size change
- You don't have to pay the accrued interest on subsidized loans for the first three consecutive years of repayment on REPAYE
- After your first three consecutive years on subsidized loans, and for the full REPAYE repayment period on unsubsidized loans, you only have to pay 50% of accrued interest not covered by your regular monthly payment amount
- You may be eligible for loan forgiveness after 20 years for undergraduate loans and 25 years for graduate or professional study
- Payments can be as low as \$0, depending on eligibility
- Any unpaid interest is capitalized when you are removed from the plan for failing to recertify, or if you leave the plan

### What should I consider before choosing this plan?

- Your monthly payments will be lower than they would be under the 10-year Standard Repayment Plan
- Any forbearance or deferment applied while on REPAYE will follow normal capitalizing guidelines
- You'll typically pay more in interest on your loan over time than you would have under the 10-year Standard Repayment Plan
- If you haven't paid your loan in full after 20 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- Any subsidy period used on a different income-driven repayment plan will count toward the subsidy period of the new plan when transferring to a different plan that offers subsidy
- If you do not recertify annually, your monthly payment amount will change to what would have been required under a 10-year Standard Repayment Plan for the balance at the time you entered REPAYE

### Which loans are eligible?

- Direct Subsidized and Unsubsidized Stafford Loans
- Direct PLUS Loans made to students
- Direct Consolidation Loans (except for those that repaid a Parent PLUS Loan)

## Pay As You Earn (PAYE)

### How do I qualify?

- You must have received a new Direct Loan disbursement on or after October 1, 2011
- You must not have had an outstanding loan balance on a Direct Loan or FFELP Loan as of October 1, 2007, or no outstanding balance on a Direct Loan or FFELP Loan when you received a new loan on or after October 1, 2007
- You must qualify for a reduced payment amount<sup>4</sup>

### What are the key points?

- Your monthly payment will be no more than 10% of your discretionary income<sup>4</sup>
- Your payments will change as your income and family size change
- Any unpaid interest (due to payment amount) is capitalized when you no longer have a partial financial hardship or leave the plan
- The capitalization amount is limited so that your new balance will be no more than 10% greater than the loan amount at the time you entered this plan
- Interest will be subsidized for the first three years of the repayment plan for any Subsidized Stafford Loans

### What should I consider before choosing this plan?

- Any forbearance or deferment applied while on the PAYE Plan will follow normal capitalizing guidelines
- You'll typically pay more in interest on your loan over time than you would have under the 10-year Standard Repayment Plan
- If you haven't paid your loan in full after 20 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- Your partial financial hardship status must be renewed annually through your loan servicer
- Any subsidy period used on a different income-driven repayment plan will count toward the subsidy period of the new plan when transferring to a different plan that offers subsidy
- If you do not recertify annually, your monthly payment amount will change to what would have been required under a 10-year Standard Repayment Plan for the balance at the time you entered PAYE

### Which loans are eligible?

- Direct Subsidized and Unsubsidized Stafford Loans
- Direct PLUS Loans made to students
- Direct Consolidation Loans (except for those that repaid a Parent PLUS Loan)

<sup>1</sup>You are a new borrower for the IBR Plan if you had no outstanding balance on a Direct Loan or FFELP Loan as of July 1, 2014, or have no outstanding balance on a Direct Loan or FFELP Loan when you obtain a new loan on or after July 1, 2014. <sup>2</sup>Discretionary income is defined as the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence. Other conditions apply. <sup>3</sup>Partial financial hardship requires that the amount you would be required to pay on your eligible loans under this plan is lower than the amount you would be required to pay on your eligible loans under a 10-year Standard Repayment Plan. <sup>4</sup>To qualify for a reduced payment amount on the plan, the amount you would be required to pay on your eligible loans under this plan must be lower than the amount you would be required to pay on your eligible loans under a 10-year Standard Repayment Plan.

## Income-Based Repayment (IBR)

### Which loans are eligible?

- Direct Loans, FFELP Loans, and Subsidized and Unsubsidized Stafford Loans
- Direct Loans and FFELP PLUS loans made to students
- Direct Loans and FFELP Consolidation Loans (except for those that repaid a Parent PLUS Loan)

### What are the key points?

- Your monthly payment will be no more than 15% (or 10% if you are a new borrower<sup>1</sup>) of your discretionary income<sup>2</sup>
- Your payments will change as your income and family size change
- Interest will be subsidized for the first three years of the repayment plan for any Subsidized Stafford Loans
- Any unpaid interest is capitalized when you longer have a partial financial hardship, or when you leave the plan

### How do I qualify?

- You must apply and submit required documentation
- You must have a qualify for a reduced payment amount<sup>3</sup>

### What should I consider before choosing this plan?

- Your monthly payments will be lower than they would be under the 10-year Standard Repayment Plan
- You'll typically pay more in interest on your loan over time than you would have under the 10-year Standard Repayment Plan
- If you haven't paid your loan in full after 25 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- You can request to change to a different repayment plan at any time. However, you will need to make a payment upon exiting either for the amount you would pay under the Standard Repayment Plan (taking into account the remaining maximum repayment period), or on a Reduced Payment Forbearance, before you can be placed into a different repayment plan
- Any forbearance or deferment applied while in the IBR Plan will follow normal capitalizing guidelines
- Your partial financial hardship status must be renewed annually through your loan servicer

- Any subsidy period used on a different income-driven repayment plan will count toward the subsidy period of the new IDR when transferring to a different plan that offers subsidy
- If you do not recertify annually, your monthly payment amount will change to what would have been required under a 10-year Standard Repayment Plan for the balance at the time you entered IBR

## Income-Contingent Repayment (ICR)

### Which loans are eligible?

- Direct Subsidized and Unsubsidized Stafford Loans
- Direct PLUS Loans made to students
- Direct Consolidation Loans (except for those made prior to July 1, 2006, which repaid a Parent PLUS Loan)

### What are the key points?

- Payments are based on family size, adjusted gross income (AGI), and total balance of all Direct Loans
- Your payments will change as your income and family size change
- Any unpaid interest (due to payment amount) is capitalized annually
- The annual capitalization amount is limited so that your new balance will be no more than 10% greater than the original loan principal amount at the time you entered this plan

### How do I qualify?

- You must apply and submit required documentation
- Any borrower with an eligible loan type (listed above) can qualify

### What should I consider before choosing this plan?

- You'll typically pay more in interest on your loan over time than you would have under the 10-year Standard Repayment Plan
- If you haven't paid your loan in full after 25 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- This plan must be recertified annually
- Any subsidy period used on a different income-driven repayment plan will not count toward the subsidy period of the new IDR when transferring to a different plan that offers subsidy
- If you do not recertify, your monthly payment amount will change to what would have been required under a 10-year Standard Repayment Plan for the balance at the time you entered ICR

## Sample Payment Amounts

Repayment Plan	Initial Payment	Final Payment	Time in Repayment	Total Paid	Loan Forgiveness
Standard	\$333	\$333	10 years	\$39,967	N/A
Graduated	\$190	\$571	10 years	\$42,636	N/A
Extended-Fixed	Ineligible	-	-	-	-
Extended-Graduated	Ineligible	-	-	-	-
REPAYE	\$61	\$299	20 years	\$38,714	\$32,672
PAYE & IBR (new borrowers)	\$61	\$299	20 years	\$38,714	\$27,164
IBR	\$92	\$333	21 years, 6 months	\$60,441	\$0
ICR	\$197	\$255	19 years, 2 months	\$51,838	\$0

Repayment Plan	Initial Payment	Final Payment	Time in Repayment	Total Paid	Loan Forgiveness
Standard	\$666	\$666	10 years	\$79,935	N/A
Graduated	\$381	\$1,143	10 years	\$85,272	N/A
Extended-Fixed	\$387	\$387	25 years	\$115,974	N/A
Extended-Graduated	\$300	\$582	25 years	\$126,173	N/A
REPAYE	\$186	\$819	24 years, 11 months	\$131,061	\$0
PAYE & IBR (new borrowers)	\$186	\$615	20 years	\$88,341	\$41,008
IBR	\$279	\$666	18 years, 1 month	\$107,385	\$0
ICR	\$471	\$586	13 years, 8 months	\$89,152	\$0

<sup>1</sup>You are a new borrower for the IBR Plan if you had no outstanding balance on a Direct Loan or FFELP Loan as of July 1, 2014, or have no outstanding balance on a Direct Loan or FFELP Loan when you obtain a new loan on or after July 1, 2014. <sup>2</sup>Discretionary income is defined as the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence. <sup>3</sup>To qualify for a reduced payment amount on the plan, the amount you would be required to pay on your eligible loans under this plan must be lower than the amount you would be required to pay on your eligible loans under a 10-year Standard Repayment Plan. <sup>4</sup>Discretionary income is defined as the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence. Other conditions apply. <sup>5</sup>You are a new borrower for the IBR plan if you have no outstanding balance on a Direct Loan or FFELP Loan as of July 1, 2014 or have no outstanding balance on a Direct Loan or FFELP Loan when you obtain a new loan on or after July 1, 2014.



# 2016–2017 Loan Repayment Estimates: Less Than \$100K

## Standard Repayment Plan

The following chart will help you estimate the repayment amount of a student loan. The Standard Repayment Plan term is 10 years, which means you'll make 120 payments until the loan is paid off. Contact your loan servicer if you have trouble making your payments or to learn more about other repayment options. Find your detailed loan account information, including loan balance and assigned servicer, at [NSLDS.ed.gov](http://NSLDS.ed.gov).

Visit [Nelnet.com](http://Nelnet.com) for loan calculators, mobile apps, and other useful information.

### Approximate monthly payment and total accrued interest<sup>1</sup>

LOAN AMOUNT	# OF PAYMENTS	3.76% INTEREST RATE <sup>2</sup>		5.31% INTEREST RATE <sup>3</sup>		6.31% INTEREST RATE <sup>4</sup>	
		Payment	Interest	Payment	Interest	Payment	Interest
\$5,000	120	\$50	\$1,007	\$54	\$1,455	\$56	\$1,755
\$10,000	120	\$100	\$ 2,013	\$108	\$ 2,910	\$113	\$3,510
\$15,000	120	\$150	\$3,020	\$161	\$4,366	\$169	\$5,265
\$20,000	120	\$200	\$4,026	\$215	\$5,821	\$225	\$7,020
\$25,000	120	\$250	\$5,033	\$269	\$7,276	\$281	\$8,775
\$30,000	120	\$300	\$6,039	\$323	\$8,731	\$338	\$10,530
\$35,000	120	\$350	\$7,046	\$377	\$10,187	\$394	\$12,285
\$40,000	120	\$400	\$8,052	\$430	\$11,642	\$450	\$14,040
\$45,000	120	\$450	\$9,059	\$484	\$13,097	\$507	\$15,795
\$50,000	120	\$501	\$10,065	\$538	\$14,552	\$563	\$17,550
\$55,000	120	\$551	\$11,072	\$592	\$16,008	\$619	\$19,305
\$60,000	120	\$601	\$12,078	\$646	\$17,463	\$676	\$21,060
\$65,000	120	\$651	\$13,085	\$699	\$18,918	\$732	\$ 22,815
\$70,000	120	\$701	\$14,091	\$753	\$20,373	\$788	\$24,570
\$75,000	120	\$751	\$15,098	\$807	\$21,829	\$844	\$26,325
\$80,000	120	\$801	\$16,104	\$861	\$23,284	\$901	\$28,080
\$85,000	120	\$851	\$17,111	\$914	\$24,739	\$957	\$29,835
\$90,000	120	\$901	\$18,117	\$968	\$26,194	\$1,013	\$31,590
\$95,000	120	\$951	\$ 19,124	\$1,022	\$27,649	\$1,070	\$33,345
\$100,000	120	\$1,001	\$20,130	\$ 1,076	\$ 29,105	\$ 1,126	\$35,100

To determine the total amount to be repaid, add interest accrued to your total amount borrowed. For example, total repayment principal and interest for a loan of \$5,000 at a 6.31% interest rate would be \$6,755 (\$5,000 principal and \$1,755 interest).

<sup>1</sup>These calculations are based on the given scenario rate on a 10-year standard term; some loan amounts are eligible for an extended repayment term up to 25 years. <sup>2</sup>New Subsidized and Unsubsidized Federal Direct Stafford Loans for undergraduate students. <sup>3</sup>New Unsubsidized Federal Direct Stafford Loans for graduate/professional students. <sup>4</sup>New Unsubsidized Federal Direct PLUS Loans for parents of dependent undergraduate students and for graduate/professional students.



# 2016–2017 Loan Repayment Estimates: \$100K or More

## Standard Repayment Plan

The following chart will help you estimate the repayment amount of student loans that have a principal balance of \$100,000 or more under the **Standard Repayment Plan** (estimates for Extended Repayment Plan shown on next page). The Standard Repayment Plan term is 10 years, so under this plan, you'll make 120 payments before the loan is paid off. Contact your loan servicer if you are having trouble making your payments, or if you want to learn about other repayment options. You can find detailed loan account information, including your loan balance and assigned servicer, at [NSLDS.ed.gov](http://NSLDS.ed.gov).

Visit [Nelnet.com](http://Nelnet.com) for loan calculators, mobile apps, and other useful information and tools.

### Approximate monthly payment and total accrued interest<sup>1</sup>

LOAN AMOUNT	# OF PAYMENTS	3.76% INTEREST RATE <sup>2</sup>		5.31% INTEREST RATE <sup>3</sup>		6.31% INTEREST RATE <sup>4</sup>	
		Payment	Interest	Payment	Interest	Payment	Interest
\$100,000	120	\$1,001	\$20,130	\$1,076	\$29,105	\$1,126	\$35,100
\$110,000	120	\$1,101	\$22,143	\$1,183	\$32,015	\$1,238	\$38,610
\$120,000	120	\$1,201	\$24,156	\$1,291	\$34,926	\$1,351	\$42,120
\$130,000	120	\$1,301	\$26,169	\$1,399	\$37,836	\$1,464	\$45,630
\$140,000	120	\$1,402	\$28,182	\$1,506	\$40,747	\$1,576	\$49,141
\$150,000	120	\$1,502	\$30,195	\$1,614	\$43,657	\$1,689	\$52,651
\$160,000	120	\$1,602	\$32,208	\$1,721	\$46,567	\$1,801	\$56,161
\$170,000	120	\$1,702	\$34,221	\$1,829	\$49,478	\$1,914	\$59,671
\$180,000	120	\$1,802	\$36,234	\$1,937	\$52,388	\$2,027	\$63,181
\$190,000	120	\$1,902	\$38,247	\$2,044	\$55,299	\$2,139	\$66,691
\$200,000	120	\$2,002	\$40,260	\$2,152	\$58,209	\$2,252	\$70,201
\$210,000	120	\$2,102	\$42,273	\$2,259	\$61,120	\$2,364	\$73,711
\$220,000	120	\$2,202	\$44,286	\$2,367	\$64,030	\$2,477	\$77,221
\$230,000	120	\$2,302	\$46,299	\$2,475	\$66,941	\$2,589	\$80,731
\$240,000	120	\$2,403	\$48,312	\$2,582	\$69,851	\$2,702	\$84,241
\$250,000	120	\$2,503	\$50,325	\$2,690	\$72,762	\$2,815	\$87,751
\$260,000	120	\$2,603	\$52,338	\$2,797	\$75,672	\$2,927	\$91,261
\$270,000	120	\$2,703	\$54,351	\$2,905	\$78,583	\$3,040	\$94,771
\$280,000	120	\$2,803	\$56,364	\$3,012	\$81,493	\$3,152	\$98,281
\$290,000	120	\$2,903	\$58,377	\$3,120	\$84,404	\$3,265	\$101,791
\$300,000	120	\$3,003	\$60,390	\$3,228	\$87,314	\$3,378	\$105,301
\$310,000	120	\$3,103	\$62,403	\$3,335	\$90,225	\$3,490	\$108,811
\$320,000	120	\$3,203	\$64,416	\$3,443	\$93,135	\$3,603	\$112,321
\$330,000	120	\$3,304	\$66,429	\$3,550	\$96,045	\$3,715	\$115,831
\$340,000	120	\$3,404	\$68,442	\$3,658	\$98,956	\$3,828	\$119,341
\$350,000	120	\$3,504	\$70,455	\$3,766	\$101,866	\$3,940	\$122,851

To determine the total amount to be repaid, add the interest accrued to your total amount borrowed. For example, the total repayment amount of a loan of \$100,000 at a 6.31% interest rate would be \$135,100 (\$100,000 principal and \$35,100 interest).

<sup>1</sup>These calculations are based on the given scenario rate on a 10-year standard term; some loan amounts are eligible for an extended repayment term up to 25 years. <sup>2</sup>New Subsidized and Unsubsidized Federal Direct Stafford Loans for undergraduate students. <sup>3</sup>New Unsubsidized Federal Direct Stafford Loans for graduate/professional students. <sup>4</sup>New Unsubsidized Federal Direct PLUS Loans for parents of dependent undergraduate students and for graduate/professional students.

## Extended Repayment Plan

The following chart will help you estimate the repayment amount of student loans that have a principal balance of \$100,000 or more under the **Extended Repayment Plan**. The Extended Repayment Plan term is 25 years, so under this plan, you'll make 300 payments before the loan is paid off. Contact your loan servicer if you are having trouble making your payments, or if you want to learn about other repayment options. You can find detailed loan account information, including your loan balance and assigned servicer, at [NSLDS.ed.gov](http://NSLDS.ed.gov).

Visit [Nelnet.com](http://Nelnet.com) for loan calculators, mobile apps, and other useful information and tools.

Approximate monthly payment and total accrued interest							
LOAN AMOUNT	# OF PAYMENTS	3.76% INTEREST RATE <sup>5</sup>		5.31% INTEREST RATE <sup>6</sup>		6.31% INTEREST RATE <sup>7</sup>	
		Payment	Interest	Payment	Interest	Payment	Interest
\$100,000	300	\$515	\$54,403	\$603	\$80,838	\$ 663	\$99,015
\$110,000	300	\$566	\$59,843	\$663	\$88,922	\$730	\$108,916
\$120,000	300	\$618	\$65,283	\$723	\$97,005	\$796	\$118,818
\$130,000	300	\$669	\$70,723	\$784	\$105,089	\$862	\$128,719
\$140,000	300	\$721	\$76,164	\$844	\$113,173	\$929	\$138,621
\$150,000	300	\$772	\$81,604	\$904	\$121,257	\$995	\$148,522
\$160,000	300	\$823	\$ 87,044	\$964	\$129,341	\$1,061	\$158,424
\$170,000	300	\$875	\$92,485	\$1,025	\$137,424	\$1,128	\$168,325
\$180,000	300	\$926	\$97,925	\$1,085	\$145,508	\$1,194	\$178,227
\$190,000	300	\$978	\$103,365	\$ 1,145	\$153,592	\$1,260	\$188,128
\$200,000	300	\$1,029	\$108,805	\$1,206	\$161,676	\$1,327	\$198,030
\$210,000	300	\$1,081	\$114,246	\$1,266	\$169,759	\$1,393	\$207,931
\$220,000	300	\$1,132	\$119,686	\$ 1,326	\$177,843	\$1,459	\$217,833
\$230,000	300	\$1,184	\$125,126	\$1,386	\$185,927	\$1,526	\$227,734
\$240,000	300	\$1,235	\$130,566	\$1,447	\$194,011	\$1,592	\$237,636
\$250,000	300	\$ 1,287	\$136,007	\$1,507	\$202,095	\$1,658	\$247,537
\$260,000	300	\$1,338	\$141,447	\$1,567	\$210,178	\$1,725	\$ 257,439
\$270,000	300	\$1,390	\$146,887	\$ 1,628	\$218,262	\$1,791	\$267,340
\$280,000	300	\$1,441	\$152,328	\$1,688	\$226,346	\$1,857	\$277,242
\$290,000	300	\$1,493	\$157,768	\$1,748	\$234,430	\$1,924	\$287,143
\$300,000	300	\$1,544	\$ 163,208	\$1,808	\$242,513	\$1,990	\$297,045
\$310,000	300	\$1,595	\$168,648	\$1,869	\$250,597	\$2,056	\$306,946
\$320,000	300	\$1,647	\$174,089	\$1,929	\$258,681	\$2,123	\$316,848
\$330,000	300	\$1,698	\$179,529	\$1,989	\$266,765	\$2,189	\$326,749
\$340,000	300	\$1,750	\$184,969	\$2,049	\$274,849	\$2,256	\$336,651
\$350,000	300	\$1,801	\$190,409	\$2,110	\$282,932	\$2,322	\$346,552

To determine the total amount to be repaid, add the interest accrued to your total amount borrowed. For example, the total repayment amount of a loan of \$100,000 at a 6.31% interest rate would be \$199,015 (\$100,000 principal and \$99,015 interest).

<sup>5</sup>New Subsidized and Unsubsidized Federal Direct Stafford Loans for undergraduate students. <sup>6</sup>New Unsubsidized Federal Direct Stafford Loans for graduate/professional students. <sup>7</sup>New Unsubsidized Federal Direct PLUS Loans for parents of dependent undergraduate students and for graduate/professional students.



# Student Loan Terms to Know

Definitions of terms related to federal student loans and the Nelnet repayment process

## Accrue

The act of interest accumulating on the borrower's principal balance.

## Aggregate Loan Limit

The maximum total outstanding loan debt the borrower is allowed when graduating or finishing school.

## Adjusted Gross Income (AGI)

AGI is the adjusted gross income as reported by the Internal Revenue Service, and is calculated as gross income minus pre-tax deductions. The AGI can be found on a federal income tax return form (1040, 1040A, 1040EZ). This information is required when applying for repayment plans such as Income-Based Repayment or Income-Contingent Repayment.

## Amount Due

Generally, the minimum monthly payment the borrower must make by the due date, not the total amount owed.

## Annual Percentage Rate (APR)

The total annual interest cost of a loan.

## Award Letter

An official document issued by the school's financial aid office listing all the financial aid awarded. The award letter details Cost of Attendance and terms and conditions for the financial aid.

## Borrower

The individual who applies for, receives, and is responsible for paying back a loan.

## Campus-Based Aid

Financial aid programs, like Perkins Loans and Federal Work-Study, administered by the college or university. The federal government provides each institution with a fixed annual allocation, often matched or exceeded by that institution, that is awarded to students based on financial need.

## Capitalization

The addition of unpaid accrued interest to the principal balance of a loan. When the interest is not paid as it accrues during periods of in-school status, the grace period, deferment, or forbearance, your lender may capitalize the interest. This increases the outstanding principal amount due on the loan, and may increase your regular monthly payment amount. Interest is then charged on that higher principal balance, increasing the overall cost of the loan.

## Certification

A process by which the school verifies that you are enrolled at least half time, are making satisfactory academic progress, and are eligible for federal student loans. Certification must be made prior to any disbursement of loan funds.

## Co-Borrower/Co-Signer

An individual who signs the loan promissory note with the borrower and is equally responsible for repaying the debt.

## Cost of Attendance (COA)

The estimated cost of educational expenses for a period of enrollment, which usually includes tuition, fees, room, board, supplies, transportation, and miscellaneous personal expenses as determined by the school.

## Consolidation

Combining multiple loans into a single loan. Consolidation may reduce the monthly payment amount and/or increase the length of the repayment period.

## Credit Report

A report produced by a credit bureau and provided to a lender for the lender to determine a borrower's creditworthiness. The report includes a listing of debts, including accounts past due. The credit report will also include information about bankruptcy, if applicable.



### Credit Bureau

An agency that collects personal and financial information from various sources about consumers. The agency retains information about the types and amounts of credit a borrower has obtained, as well as timeliness in making payments, as reported to the agency by the various lenders that have made loans to the borrower.

### Credit Score

A number, generally between 300 and 850, provided in a credit report and used by a lender as a predictive indicator of the borrower's likelihood to repay a loan.

### Data Release Number (DRN)

The four-digit number assigned to your FAFSA® that allows you to release your FAFSA data to schools you did not list on your original FAFSA. You need this number if you contact the Federal Student Aid Information Center to make corrections to your mailing address, or to the school information you listed on your FAFSA. You can find this number below the confirmation number on your FAFSA submission confirmation page, or in the top right-hand corner of your Student Aid Report (SAR).

### Default

The failure of a borrower to repay a loan according to the terms of the promissory note. Default occurs at 270 days delinquent, and has a negative effect on a borrower's credit score.

### Deferment

A period during which borrowers may postpone loan payments. For certain types of loans, the federal government pays the interest that accrues during a deferment period. For unsubsidized loans, borrowers are responsible for paying the interest that accrues during a deferment period, and any unpaid interest is added to the loan balance when the deferment ends (this is called capitalization).

### Delinquency

Failure to make loan payments when due. Delinquency begins with the first missed payment.

### Dependent Student

An undergraduate student whose parents provide over half of his or her financial support. If a student is single, under 24 years of age, has no legal dependents, is not an orphan or ward of the court, and is not a veteran of or serving on active duty in the U.S. Armed Forces, he or she is a dependent student. Parents of a dependent student must submit parental information on the FAFSA for their child to be considered for financial aid.

### Direct Consolidation Loan

Offered by the Department of Education, this program lets borrowers combine one or more eligible federal student loans into one new Direct Consolidation Loan, with the Department of Education as the new lender. If borrowers have multiple loans with multiple lenders, this option offers the opportunity to make only one monthly payment to one servicer.

### Disbursement

The release of loan funds to the school. Disbursements are usually made in equal, multiple installments co-payable to the borrower and the school.

### Due Date (Payment Due Date)

The month, day, and year the next payment is due.

### Expected Family Contribution (EFC)

Amount a student's family is expected to contribute to the cost of education based on the family's income, net assets, savings, size, and number of children in college.

### Effective Date

The date that a purchase, cash advance, fee, service charge, or payment is effective on a charge or credit account.

### Endorser

An individual who signs the loan promissory note with the borrower and is secondarily responsible for repaying the debt if the borrower does not.

### Enrollment Status

Indicates whether a student is enrolled full time or part time. Generally, students must be enrolled at least half time to qualify for financial aid. Schools may have differing criteria for half-time and full-time enrollment.

### Entrance Counseling

Borrowers with federal education loans are required to receive counseling before the first loan disbursement is made. During this counseling, the borrower's rights, responsibilities, and loan terms and conditions are reviewed. This session may be conducted online, by video, in person with the financial aid administrator (FAA), or in a group meeting.



### Exit Counseling

Borrowers with federal education loans are required to receive counseling before graduation or if they cease to be enrolled at least half time. During this counseling, the borrower's rights, responsibilities, and loan terms and conditions are reviewed. This session may be conducted online, by video, in person with the financial aid administrator (FAA), or in a group meeting.

### Financial Aid Administrator (FAA)

A college employee involved in the administration of financial aid.

### Free Application for Federal Student Aid (FAFSA)

The free form that must be completed by students and parents applying for federal student aid.

### FAFSA4caster

An online tool designed to help students financially plan for college and get an early estimate of federal student aid eligibility.

### Federal Direct Loan Program (FDLP)

The William D. Ford Federal Direct Loan Program offers Stafford, PLUS, and Consolidation loans directly from the federal government. The lender is the U.S. Department of Education. These are often referred to as Direct Loans and are serviced by companies like Nelnet.

### Federal Family Education Loan (FFEL) Program

The Federal Family Education Loan Program offered Stafford, PLUS, and Consolidation loans financed by lenders and guaranteed by the federal government. This program ceased on June 30, 2010.

### Federal Perkins Loan Program

The Federal Perkins Loan Program offers low-interest loans funded by the federal government and administered by the school to undergraduate and graduate students. The loan amount received depends on the student's financial need and the availability of funds at the school.

### Federal Student Aid (FSA)

An office of the U.S. Department of Education (ED) that is responsible for administering the federal financial aid programs. ED funds all Direct Loans, owns some FFELP loans, and utilizes various servicing companies, one of which is Nelnet.

### Federal Student Aid ID

A number that serves as the borrower's identifier to allow access to personal information in various

Department of Education systems, such as the National Student Loan Data System (NSLDS). Borrowers use their FSA ID to electronically sign the online FAFSA, consolidation loan application, promissory note, and deferment or forbearance forms.

### Federal Work-Study Program

A federal program that provides part-time jobs, generally on campus, for undergraduate and graduate students with financial need, allowing students to earn money to help pay education expenses.

### Financial Aid

Financial assistance to pay for education expenses, which can include scholarships, grants, work-study, and loans.

### Financial Aid Package

The combination of financial aid (loans, scholarships, grants, work-study) determined by the financial aid office of a college.

### Financial Need/Eligibility

The difference between the Cost of Attendance (COA) at a college and the Expected Family Contribution (EFC).

### Forbearance

Forbearance allows a borrower to temporarily postpone making payments, or to make lower payments, on a loan for a specific length of time. As a reminder, you are responsible for paying the interest that has accrued during your forbearance. If your previously accrued interest and the interest that accrues during the forbearance is not paid prior to your forbearance ending, it will be added to your principal balance (this is called capitalization). If interest is capitalized, your servicer may need to adjust your regular monthly payment amount to ensure your loan can be paid off within your remaining loan term.

### General Educational Development (GED) Certificate

Certificate a student receives when passing the approved high school equivalency test. A student that does not have a high school diploma but has a GED can qualify for federal student aid.

### Gift Aid

Financial aid, such as grants and scholarships, that does not need to be repaid.

### Grade Point Average (GPA)

An average of a student's grades, where the grades have been converted to a numerical scale, such as 4.0 being an A, 3.0 being a B, 2.0 being a C, 1.0 being a D, and 0 being an F.

### Grace Period

Specified period of time, usually six months, between the date a student graduates or drops below half-time status and the date loan repayment begins on certain types of federal student loans. Borrowers do not have to make payments during this time, but can get started in order to pay less interest.

### Graduate Student

A student who has obtained a bachelor's degree and is seeking an advanced degree.

### GradPLUS Loan for Graduate and Professional Students

Federal loans available to graduate and professional students to pay for education expenses.

### Grants

Financial aid awards that do not have to be repaid. Grants are available through the federal government, state agencies, and colleges.

### Gross Income

Income from all sources prior to deductions for taxes and other elections like 401(k) contributions.

### Guarantee

An agreement between a FFELP lender and a guarantor that states the guarantor will reimburse the lender for some portion of a loan if the borrower fails to repay a loan and the lender has met all servicing requirements.

### Guarantor/Guaranty Agency

State agency or private non-profit organization that administers the FFELP and guarantees student loans made under this program on behalf of the federal government.

### Half-Time Enrollment

An academic workload, as determined by the school, which includes at least half of the academic workload required by federal regulations for full-time enrollment in a program of study. Students must attend school at least half time to be eligible to receive federal student loans. The number of classes that must be taken to be considered half time is determined by the school.

### In-School

Student status when enrolled at least half time.

### Inbox

The secure online inbox within your Nelnet.com account that stores correspondence and statements from.

### Income

The amount of money received from employment, profit, or other sources (welfare, disability, child support, Social Security, and pensions).

### Income-Based Repayment (IBR)

An income-driven repayment plan with a regular monthly payment amount based on the adjusted gross income (AGI), family size, and poverty guidelines for a borrower's state of residence, rather than the amount of the loan. Any debt remaining after 25 years of payments under IBR is forgiven (FFELP and Direct Loans).

### Income-Contingent Repayment (ICR)

An income-driven repayment plan with a regular monthly payment amount based on the adjusted gross income (AGI), family size, poverty guidelines for the borrower's state of residence, and Direct Loan debt at the time of repayment. Any debt remaining after 25 years of payments under ICR is forgiven (Direct Loans only).

### Income-Driven Repayment (IDR)

A group of four repayment plans that tailor the regular monthly payment amount to the borrower's income. Monthly payments based on a borrower's adjusted gross income (AGI), family size, and total indebtedness. After 20 or 25 years (depending on the terms of the loans) of qualifying payments, any remaining loan balance is eligible for forgiveness. Parent PLUS Loans and consolidation loans (which include at least one Parent PLUS Loan) do not qualify for income-driven plans.

### Independent Student

If a student is married, 24 years of age or older, enrolled in a graduate or professional education program, has legal dependents other than a spouse, is an orphan or ward of the court, currently serves active duty in the U.S. Armed Forces for purposes other than training, or is a veteran of the U.S. Armed Forces, he or she is an independent student.

### Initial Disclosure Statement

A statement provided to the borrower prior to or at the time of a loan's first disbursement that lists the lender name and contact information, the principal loan amount, the dates when loan funds will be disbursed, interest rate, and amount of any loan fees collected by the lender.

### Institutional Loan

Loans made by a school to its students. The school is the lender, and the funds must be repaid to the school.

### Interest

A loan expense charged for the use of borrowed money. Interest is paid by a borrower to the lender.

### Interest Rate

The rate at which interest is calculated on a borrower's loans. For federal student loans, the interest rate is set by Congress annually.

### Internship

Part-time or full-time job during the academic year or the summer months in which a student receives supervised practical training in a field of interest.

### Lender

A bank, agency, or school that loans money to a borrower. The Department of Education is also a lender.

### Lifetime Learning Tax Credit

A federal income tax credit that can be claimed for qualifying tuition and education expenses paid by a borrower during the tax year. The credit is equal to 20% of out-of-pocket expenses for qualifying tuition and education expenses of all eligible family members, up to a maximum of \$10,000 in expenses. Only one credit may be claimed per tax year.

### Loan Discharge

Federal student loans can be discharged (written off) in the event that a school closes while a borrower is attending, the loan is falsely certified by a school official, the school fails to pay a refund, the borrower is a victim of identity theft, the borrower becomes totally and permanently disabled, or the borrower dies.

### Loan Fee

A fee a borrower pays. It is deducted proportionately from each loan disbursement.

### Loan Servicer/Service

An organization hired by a lender or the Department of Education to administer student loans. Loan servicing includes disbursing loan funds, monitoring enrollment status, collecting payments, and assisting borrowers during the repayment process of their loans.

### Merit-Based

A means of determining eligibility for certain types of financial aid using merit, such as talents or accomplishments, as the determining factor.

### Master Promissory Note (MPN)

The promissory note a student or parent borrower signs when taking out a Stafford or PLUS Loan. Borrowers may obtain multiple loans under a single Master Promissory Note.

### Need-Based

A means of determining eligibility for certain types of financial aid using financial need as the determining factor.

### National Student Loan Data System (NSLDS)

A centralized database that stores information on all federal loans and grants. NSLDS also contains borrowers' school enrollment information.

### Origination Fee

Fee payable by the borrower and deducted from the principal amount of a loan prior to disbursement. For federal loans, the origination fee is paid to the federal government to offset the cost of the borrower's interest subsidy. For private loan programs, the origination fee is generally paid to the lender to cover the cost of administering and insuring the program.

### Parent Borrower

Parents who have at least one Federal PLUS Loan to finance their dependent child's education.

### Pay As You Earn (PAYE)

An income-driven repayment plan that caps the regular monthly payment amount at 10% of a borrower's discretionary income or, if married and filing a joint federal income tax return, 10% of your combined discretionary income. Under this plan, the borrower's remaining student loan balance will be forgiven if he or she has made the equivalent of 20 years of qualifying payments.

### Pell Grant Program

A federal program that provides need-based grants to low-income students in order to provide access to higher education. Grant amounts are dependent on your Expected Family Contribution (EFC), the Cost of Attendance (COA) as determined by the school, enrollment status (full time or part time), and whether a student attends for a full academic year or less.

### PLUS Loan for Parents

Federal loans available to parents of dependent students to pay education expenses. In the case of Parent PLUS Loans, the parent is responsible for the debt, not the student.

### Posting Date

The date that a purchase, cash advance, fee, service charge, or payment is recorded on a charge or credit account.

### Prepayment/Paid Ahead

The amount paid in excess of the monthly payment amount due on a loan. A prepayment will first be applied to any outstanding fees<sup>1</sup>, then to outstanding interest, and then to the principal balance of the loans.

### Private Loan

Loans offered by banks, other financial institutions, and schools to parents and students to pay educational expenses. Private loans are based on credit, more expensive, and not guaranteed by the federal government.

### Promissory Note

The binding legal document a borrower signs for a student loan, which lists the terms and conditions of the loan as well as the borrower's rights and responsibilities. For federal loans, the promissory note is also known as the Master Promissory Note (MPN).

### Reference

A person the borrower lists on a loan promissory note as someone who knows and can provide information about him or her. References are not co-signers and are not responsible for repaying the loan.

### Refund

The total amount of unused education expenses. These funds are often returned to the borrower via paper check, direct deposit, or prepaid debit card. Some schools make the borrower request the proceeds, while others automatically send the refund.

### Regular Monthly Payment Amount

The monthly payment amount that can be made for a loan account to remain in a current repayment status.

### Rehabilitation

The process of bringing a loan out of default and removing the default notation on a borrower's credit report.

### Repayment

The period of time during which the borrower is required to make payments on a loan. The repayment period can be shortened if the borrower makes additional payments.

### Repayment Incentive

A benefit that a lender offers borrowers to encourage them to repay their loans on time. For example, under a repayment incentive program, the interest rate charged on borrowers' loans might be reduced if they make automatic monthly payments, or the principal balance on the loan might be reduced after making a certain number of on-time consecutive payments. Note: These incentives are not available for Direct Loans.

### Repayment Plan

A schedule agreed upon by both a borrower and a lender regarding repayment of a loan. Changing repayment plans is a good way to manage your loan debt when your financial circumstances change. For example, borrowers can usually lower their monthly payment by changing to another repayment plan, if eligible, that has a longer term in which to repay the loan. There are no penalties for changing repayment plans.

### Repayment Schedule

A statement provided by the loan servicer to the borrower that lists the amount borrowed, the amount of monthly payments due, and the date payments are due.

### Revised Pay As You Earn (REPAYE)

An income-driven repayment plan with no income requirement. The regular monthly payment amount is set at 10% of a borrower's discretionary income. Under this plan, the borrower's remaining student loan balance will be forgiven if he or she has made the equivalent of 20 or 25 years of qualifying payments, depending on the level of study the loans were taken out for.

### Student Aid Report (SAR)

A report sent to the borrower by the federal government, which summarizes financial and other information reported on the Free Application for Federal Student Aid (FAFSA). The report includes the Expected Family Contribution (EFC).

<sup>1</sup>The U.S. Department of Education does not assess late fees.

### Schedule of Repayment Disclosure

A statement provided to the borrower prior to the loan entering repayment. The statement lists the principal amount, payment amount, payment due date, finance charge, and interest rate.

### Scholarships

Financial aid awards that do not have to be repaid. Scholarships are typically reserved for students with special qualifications, such as academic, athletic, or artistic talent or who are part of a cultural, ethnic, or geographic group.

### Selective Service Registration

Registration with the federal agency that administers the military draft, which is required to receive federal financial aid. The requirement to register applies to males who were born on or after January 1, 1960, are at least 18 years old, are United States citizens or eligible non-citizens, and are not currently on active duty in the U.S. Armed Forces.

### Servicer

A loan servicer is a company that is contracted by the federal government to handle billing and other services for federal student loans.

### Social Security Number (SSN)

Unique nine-digit number assigned by the Social Security Administration. The SSN is used as an identifier for students and parents seeking any type of federal financial aid.

### Stafford Loans

Federal loans available to students to pay education expenses. For certain types of loans, the Department of Education pays the interest that accrues during in-school and deferment periods.

### Student Loan

A type of financial aid that is available to students and their parents. Student loan programs have varying interest rates and repayment provisions. Student loans must be repaid.

### Subsidized

Refers to the interest that the borrower is not responsible for paying on his or her student loan. While the borrower is in school, in grace, or deferment periods, the federal government pays the accrued interest on subsidized loans. Subsidized loans are awarded to undergraduate students based on financial need.

### Transcript

A list of all the courses that a student has taken at a particular high school or college, with the grades earned in each course. Transcripts are usually required for college admission.

### Total Amount Repaid

The total amount borrowers are expected to pay over the life of the loan (the full repayment term), including principal and interest.

### Truth in Lending Disclosure

Three disclosures provided to the borrower prior to or at the time of disbursement of a private loan that lists the lender name and contact information, amount financed, annual percentage rate (APR), finance charge, payment amount and schedule, and total repayment amount.

### Tuition

The amount charged by colleges for classroom and other instruction.

### Undergraduate Student

A degree-seeking student at a college or university who has not yet earned a bachelor's degree.

### Unsubsidized

Interest on unsubsidized loans will accrue starting from grace, or deferment periods, the time the loan is disbursed to the school. Borrowers have the option to pay the interest as it accrues. If not paid while in school, it is added to the principal balance (capitalized) when it's time to repay the loan.

### Variable Interest

The rate of interest charged on a loan. The rate changes annually and fluctuates with a stated index.

### Verification

A process used by schools to ensure information reported on the Free Application for Federal Student Aid (FAFSA) is accurate, such as requesting a copy of the student's or parents' tax returns.

### W-2

The federal form that lists an employee's wages and taxes withheld. The IRS requires employers to issue a W-2 for each employee generally by January 31.





# How to Avoid Delinquency and Defaulting on Your Student Loans

We're here to help educate you on how to make sound financial decisions and stay away from delinquency and default.

## What Is Delinquency?

Your student loan status will become delinquent if your monthly payment is not received by the due date.

## What Is Default?

If your loan becomes 270 days past due, you are in default on your federal student loan. Default is very serious, and the consequences include being reported to the credit bureaus, which can result in difficulty borrowing money to purchase a car or house.

## What Are the Consequences of Default?

Default is serious – that’s why we’ll do everything we can to help you keep your account current. Consequences for having an account status in default are:

- The entire unpaid balance amount of your loan, including accrued interest and late fees<sup>1</sup>, will become immediately due and payable unless payments are postponed with a deferment or forbearance; consult your student loan servicer for available options.
- Your default will be reported to all national credit bureaus.
- Legal action can be taken against you, and you could be responsible for all attorney fees and court costs.
- A collection agency can be hired to collect the loan balance.
- You will be responsible for paying collection costs.
- Your wages can be withheld (garnished) to pay the loan balance.
- Your federal and state tax refunds can be withheld to pay the loan balance.
- You will not be eligible for any other federal financial aid.
- If your profession requires a license to practice, you can be denied renewal of your professional license until you have made satisfactory arrangements to repay your loan.

## Avoid Delinquency and Default

Communicating with your servicer is the key to avoiding delinquency and default. Many options are available that can lower or postpone your student loan payments. Stay in touch with your loan servicer – let them know if you’ve changed your contact information, and make sure that they know when you’ve completed your educational program or transferred to another school.

To verify which servicers provide customer service for your federal student loans, visit [NSLDS.ed.gov](http://NSLDS.ed.gov). You will need your FSA ID to access the site; you can get a copy of your ID online at [FSAID.ed.gov](http://FSAID.ed.gov). Fill in the lines below to conveniently store your servicer information.

### Servicer 1

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Website: \_\_\_\_\_

### Servicer 2

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Website: \_\_\_\_\_

### Servicer 3

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Website: \_\_\_\_\_

<sup>1</sup>The U.S. Department of Education does not assess late fees.





# Trouble Making Payments?

## Explore Deferment or Forbearance Options

If you find yourself falling behind on your student loan payments, and you've explored the repayment plans available to you, you do have the option to apply for a deferment or forbearance until you can properly resume payments.

### Deferment

A deferment is a period when payment on the principal balance and accrued interest of a loan is temporarily postponed. For Direct Subsidized Stafford Loans payments are made by the federal government.

After the grace period (the six months after graduating or dropping below half-time student status) has expired, borrowers are entitled to a deferment if they meet regulatory requirements. You should continue making payments on your loan until you're notified the deferment is approved. Your eligibility for a deferment depends on when the loan was made and the individual deferment's requirements. Eligibility for a deferment does not mean you are required to take it – you may choose to continue making payments on your student loan. Any unpaid interest on unsubsidized loans will be capitalized (added to the principal balance) at the end of the deferment period, likely increasing the total balance and your monthly payments.

### Most Common Types of Deferments:

- In-School Deferment
- Unemployment Deferment
- Economic-Hardship Deferment
- Education-Related Deferment
- Service-Related Deferments
- Other Deferments:  
Temporary Total Disability, Parental Leave, and Public Service (See Nelnet.com for eligibility requirements and additional available deferments)

### Forbearance

A borrower who is willing but unable to make payments, and does not meet the qualifications for a deferment, may request forbearance. Forbearance allows you to temporarily postpone your payment for a specified period of time. The forbearance will eliminate any delinquency that currently exists on the account, but won't reverse any derogatory credit information previously reported.

No fees are assessed for obtaining forbearance; however, interest will continue to accrue on your loans during the forbearance period. You may continue making payments and or interest payments during forbearance. Any unpaid interest at the end of the forbearance period will be capitalized (added to the principal balance). Capitalization of interest will increase the amount that must be repaid and may result in an increased monthly payment amount.

### Most Common Types of Forbearances:

- Hardship
- Reduced Payment
- Internship/Residency
- Student Loan Debt Burden
- Department of Defense (DoD) Loan Repayment Program
- Corporation for National and Community Service (CNCS) Loan Repayment Program/Hardship





# Four Easy Ways to Avoid Delinquency or Default on Your Student Loans

**Are you struggling to make your student loan payments?** We're here to help with four ways to prevent delinquency or default. Now, you can quickly take the necessary steps to take care of your student loans.

## 1. Nelnet.com:

Log in to your Nelnet.com account to lower your payments by navigating to the Repayment Options section – if you're struggling to make any sort of payment at this time, you may also request a deferment or forbearance.

## 2. Web Chat:

After you're logged in to your Nelnet.com account, we can walk you through your deferment or forbearance options via web chat. To access web chat, click on the Chat Now link toward the top right portion of your screen.

NOTE: The Chat Now link isn't visible in the off hours when the web chat team is not available.

## 3. Email:

Want a full list of options that will help you avoid delinquency or default? Email us at [Help@Nelnet.net](mailto:Help@Nelnet.net) and we'll assist you in whatever way we can.

## 4. Phone:

Call us at 888.486.4722 and simply use the phone prompts to apply for deferment or forbearance. You can also choose to talk with one of our expert customer service representatives to discuss your options.

**Don't wait any longer to take control of your student loans. Get the help you need today, we're here to help make your student loan experience the best it can be.**

# Leaving School

What to Know When Entering Grace and/or Repayment





# Get Ready for Repayment

Now that it's time to start paying back your student loans, it's important to understand details like how you can make a payment, when your payment is due, and how Nelnet can help you have the best student loan experience possible.

## GET TO KNOW NELNET, YOUR STUDENT LOAN SERVICER



Nelnet services your student loans on behalf of the U.S. Department of Education. Our job is to make sure you have the best student loan experience possible. We provide customer service for your loans, meaning we:

- Answer your questions
- Discuss your repayment plan options
- Process your payments when the time comes

To find out if you have loans serviced by other servicers, visit [NSLDS.ed.gov](http://NSLDS.ed.gov).

## UNDERSTAND YOUR LOANS

You may have one or more of the following types of loans:

### SUBSIDIZED VS UNSUBSIDIZED

The accrued interest for subsidized loans<sup>1</sup> is paid by the government while you're in school and during other approved times of non-payment. If your loan is unsubsidized, you're responsible for the interest immediately.

### FEDERAL VS PRIVATE

Federal loans are funded by the federal government and come with benefits like reduced monthly payments and deferment. Private loans are issued by banks or similar institutions, and can often help bridge any financial gap not covered by federal loans.

### FIXED INTEREST VS VARIABLE INTEREST

Fixed rates are constant for the life of the loan, but variable interest rates are adjusted annually on July 1.

## SET UP AN ONLINE ACCOUNT



Your Nelnet.com account makes managing your account simple and convenient. Make payments, check your balance, change your payment plan, and more from your computer or mobile device.

Visit [Nelnet.com](http://Nelnet.com) and create an account today. You can also download the Nelnet mobile app, available in the iTunes Store and on Google Play.

## KNOW YOUR STATUS

The life of a student loan consists of three stages:



### In School:

While you're enrolled in school at least half time, you're not required to make payments on your loans; however, you can make payments on the outstanding principal balance and accrued interest on any unsubsidized loans, which will save you money in the long run.



### In Grace:

A loan's grace period is the six-month window between when you graduate or drop below half-time enrollment status and when you are required to start making payments. Even though no payments are due now, you can make payments on the principal balance and accrued interest on any unsubsidized loans, which will save you money later.



### In Repayment:

This stage starts with your first payment, and continues through the life of your loan.

## YOU HAVE REPAYMENT OPTIONS



There are many repayment plans available for your federal student loans. Log in to your Nelnet.com account to explore what's available, and find the plan that fits you and your budget.

## REPAYMENT IS EASIER WHEN YOUR OVERALL DEBT IS LOWER



It's good to avoid accumulating credit card debt or purchasing unnecessary big-ticket items. So when your loan enters repayment, you can focus on that first.

## KEEP IN TOUCH!



Understanding your student loans and how they work can often feel intimidating or confusing, but it doesn't have to. We're here to help you navigate the process.

Questions? Contact us anytime - we're here for you 24/7 at [Nelnet.com](http://Nelnet.com).

<sup>1</sup>First-time Direct Loan borrowers on or after July 1, 2013, are no longer eligible for the Subsidized Student Loan program if they are in school longer than 150% of the published length of time necessary to graduate from an undergraduate degree program.



# Servicer Contact Info



Please check all that apply, and fill out the account number(s) and loan amount(s).

## FedLoan Servicing (PHEAA)

**p:** 800.699.2908 | **w:** MyFedLoan.org

### Send Payments to:

Department of Education  
FedLoan Servicing  
P.O. Box 530210  
Atlanta, GA 30353-0210

### General Correspondence:

FedLoan Servicing  
P.O. Box 69184  
Harrisburg, PA 17106-9184

Account Number	Loan Amount
1	
2	
3	
4	

## Great Lakes Educational Loan Services

**p:** 800.236.4300 | **w:** MyGreatLakes.org

### Send Payments to:

Your payment mailing address may vary depending on several factors. Please call or log in to your account to get the correct mailing address for your loans.

### General Correspondence:

Great Lakes  
P.O. Box 7860  
Madison, WI 53707-7860

Account Number	Loan Amount
1	
2	
3	
4	

## Navient

**p:** 800.722.1300 | **w:** Navient.com

### Send Payments to:

Navient  
U.S. Department of Education  
Loan Servicing  
P.O. Box 740351  
Atlanta, GA 30374-0351

### General Correspondence:

Navient  
U.S. Department of Education  
Loan Servicing  
P.O. Box 9635  
Wilkes-Barre, PA 18773-9635

Account Number	Loan Amount
1	
2	
3	
4	

## Nelnet

**p:** 888.486.4722 | **w:** Nelnet.com

### Send Payments to:

**Accounts Starting with an "E":**  
Department of Education  
P.O. Box 740283  
Atlanta, GA 30374-0283

### Accounts Starting with a "J":

Nelnet  
P.O. Box 2877  
Omaha, NE 68103-2877

### Accounts Starting with a "D":

Nelnet  
P.O. Box 2970  
Omaha, NE 68103-2970

### General Correspondence:

Nelnet  
P.O. Box 82561  
Lincoln, NE 68501

Account Number	Loan Amount
1	
2	
3	
4	

## Other Servicer

**p:** | **w:**

### Send Payments to:

### General Correspondence:

Account Number	Loan Amount
1	
2	
3	
4	



# Entrance Counseling Checklist

## Entrance Counseling

- You must abide by the requirements set forth in your Master Promissory Note (MPN).
- Your MPN is an official contract between you and your lender. The MPN contains the interest rate, fees<sup>1</sup>, and repayment terms of your loan.
- You must repay your loan, including all accrued or capitalized interest, as well as fees<sup>1</sup> that you have incurred.
- You understand that you are legally obligated to pay back your loan even if:
  - You do not graduate or complete your education.
  - You cannot find employment.
  - You are not satisfied with the education or other services you received from your school.
  - Your loan is sold to another party.
- If you do not repay your loans, you will be in default, and the following actions may be taken against you:
  - The unpaid balance of your loan, including accrued interest and late fees<sup>1</sup>, will become immediately due and payable.
  - Your default will be reported to all national credit bureaus.
  - You will no longer qualify for deferment or forbearance options.
  - Legal action can be taken against you. You could then be responsible for all attorney fees and court costs.
  - A collection agency can be hired to collect the loan balance. You will be responsible for paying collection costs.
  - Your wages can be withheld (garnished) to pay the loan balance.
  - Your federal and state tax refunds can be withheld to pay the loan balance.
  - You will not be eligible for any other federal financial aid.
  - If your profession requires a license to practice, you can be denied renewal of your professional license until you have made satisfactory arrangements to repay your loan.
- You have been shown average anticipated regular monthly payment amounts for student loans made to borrowers at your school in your program of study.
- You understand that you must complete exit counseling before you graduate from school or drop below half-time status. This process allows you to fully understand your rights, responsibilities, and repayment options before you begin making payments on your loan.

<sup>1</sup>The U.S. Department of Education does not assess late fees.



# Exit Counseling Checklist

## Exit Counseling

- You have been shown average anticipated monthly payment amounts for student loans and have been provided with information regarding debt management strategies.
- Multiple repayment plans may be available to you.
- You will be able to access a payment schedule for your student loans that includes information about your servicer and details of your loan including the loan balance, interest rate, fees, and amount and number of payments.
- You may prepay all or part of your loan without penalty.
- You may apply for deferment (postponement) of your loan payment, and you understand that you may or may not qualify for deferment options. Contact your servicer for details on various options.
- You may request forbearance from your lender or servicer if you are not able to make payments but do not qualify for deferment. Your servicer will determine if you will receive the forbearance.
- You may obtain a full or partial forgiveness or discharge of your loan depending on your specific circumstances.
- It is your responsibility to inform your servicer within 10 days if you:
  - Change your address, phone number, name, or Social Security number
  - Change your expected employer
  - Withdraw from school or drop below half-time status
  - Change your anticipated graduation date
  - Re-enroll in school or transfer to another school
- You will be notified in writing if your loan is transferred, and you understand that upon transfer, you must correspond directly with the new servicer.
- You can access your complete loan history from the National Student Loan Data System (NSLDS) at [NSLDS.ed.gov](http://NSLDS.ed.gov). You will need your FSA ID that you received from the U.S. Department of Education when you completed your FAFSA.
- You can contact the Federal Student Aid Ombudsman's office at 877.557.2575 if you have problems with your loan that cannot be resolved through regular channels.