

# WELCOME TO MONEY SMART DAY

2023



[moneysmartday.gmu.edu](https://moneysmartday.gmu.edu)



## MONEY SMART DAY: STUDENT LOAN REPAYMENTS BEGIN AGAIN

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## AGENDA

1. Other Loans: Perkins Loan Program and Private Loans
2. COVID-19 Impact on Direct Loans
3. Planning and Preparation of Repayment
4. Direct Loan Servicer Information
5. Loan Consolidation
6. Repayment Plans Chart
7. Income-Driven Repayment Plans
8. Public Service Loan Forgiveness
9. Teacher Loan Forgiveness
10. Forbearance
11. Other Forgiveness and Repayment Assistance Programs
12. Questions

## OTHER LOANS

### ○ Federal Perkins Loan Program

- Federal student loan program that ended September 30, 2017.
- The student is given a 9-month grace period before having to make payments towards the loan(s) for the following reasons:
  - Graduation
  - Withdrawn
  - Dropped below half-time
- The typical time for repayment is 5-10 years.
- To make payments, or manage your Perkins loan(s) borrowed at George Mason University, the servicer is ECSI. Please contact ECSI at <https://borrower.ecsi.net/> or 1-888-549-3274.
- If borrowed from a different University, we recommend contacting that school's financial aid office to get servicer contact information.

### ○ Private Loans

- Examples of Lenders may include:
  - Sallie Mae
  - Wells Fargo
  - Discover
  - College Avenue
- The typical time for repayment is 10-15 years.
- Payments are made directly to the lender. The lender is the servicer.
- Many private student loans require borrowers to make payments while in school although some allow to defer (put off) payments while still in school.
- For more information and details regarding these loans, please contact the lender directly.
- You can see if you have a private loan by getting a copy of your credit report.

## COVID-19 IMPACT ON FEDERAL STUDENT LOANS

- **On March 20, 2020**, the Secretary of Education directed the office of Federal Student Aid to provide the following relief on ED-held federal student loans:
  1. Suspend loan payments
  2. Stop collections on defaulted loans
  3. Set interest rates to 0% for a period of 60 days
- **On March 27, 2020**, Congress passed, and the President signed into law, the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*, which provides for the above relief measures through September 30, 2020.
- **On August 8, 2020**, President Trump directed the Secretary to continue to suspend loan payments, stop collections, and waive interest on ED-held student loans until December 31, 2020.
- **On December 4, 2020**, the COVID-19 emergency relief measures were extended through January 31, 2021.
- **On January 20, 2021**, the COVID-19 emergency relief measures were extended by President Biden with an executive order through September 30, 2021.
- **On August 6, 2021**, the COVID-19 emergency relief measures were extended until January 31, 2022.
- **On December 22, 2021**, the COVID-19 emergency relief measures were extended by President Biden to May 1, 2022.
- **On August 6, 2021**, the COVID-19 emergency relief measures were extended by President Biden to August 31, 2022
- Pause extended until the U.S. Department of Education is permitted to implement the debt relief program, or the litigation is resolved. Payments will restart 60 days later. If the debt relief program has not been implemented and the litigation has not been resolved by June 30, 2023- payments will resume 60 days after. **August 30, 2023.**

Reference: <https://studentaid.gov/announcements-events/coronavirus>

# BEFORE YOU BEGIN REPAYMENT

1. Get started by utilizing the repayment tools provided through [www.studentaid.gov](http://www.studentaid.gov).
2. Utilize the loan simulator to budget an estimated monthly repayment.
3. Learn more about loan consolidation and determine if this is a good option for you.
4. Get help with setting up Public Service Loan Forgiveness (PSLF).

The screenshot displays a user interface with three main sections. On the left, under the heading 'Checklists', there are four items: 'I'm Preparing for School', 'I'm in School', 'I'm in Repayment', and 'I'm a Parent', each with a downward arrow icon. On the right, there are three distinct boxes. The top box is titled 'Get Information About Flexibilities for Student Loans' and includes a link for 'Coronavirus and Flexibilities FAQs >'. The middle box is titled 'Estimate Monthly Payments and Compare Loan Repayment Plans' and includes a link for 'Loan Simulator >'. The bottom box is titled 'Use the Public Service Loan Forgiveness (PSLF) Help Tool' and includes a link for 'PSLF Help Tool >'. The boxes are separated by thin horizontal lines in blue, green, and orange colors.

# DIRECT LOAN SERVICER

## ○ What is a direct loan servicer?

- It is a company who is assigned to handle the billing and other services associated with your federal student loan. These companies are responsible for working with students to find the best repayment options available.

## ○ Where do I find my servicer?

- You can log into [www.studentaid.gov](http://www.studentaid.gov) any time while in school or post school to find your servicer's information. It is located on the main homepage under "My Loan Servicers".

## ○ What is the contact for my servicer?

- [FedLoan Servicing \(PHEAA\)](#): 1-800-699-2908\*\*
- ~~[Granite state – GSMR](#): 1-888-556-0022~~
- [Great Lakes Educational Loan Services, Inc.](#) : 1-800-236-4300
- [HESC/Edfinancial](#): 1-855-337-6884 (**Granite State**)
- [MOHELA](#): 1-888-866-4352 (**FedLoan Servicing**)
- [Navient](#): 1-800-722-1300 now **Aidvantage**
- [Nelnet](#): 1-888-486-4722
- [OSLA Servicing](#): 1-866-264-9762
- [ECSI](#): 1-866-313-3797
- [Default Resolution Group – Maximus Federal Services, Inc.](#) :  
1-800-621-3115  
(TTY: 1-877-825-9923 for the deaf or hard of hearing)





# LOAN CONSOLIDATION

## Loan Consolidation

- Loan Consolidation allows for student loan borrowers with multiple student loans to combine all their loans together creating one loan with a fixed interest rate.
  - The fixed interest rate is based on the average of the interest rates of multiple loans being combined.
- Once the consolidation has taken place, the loan borrower will only have one single monthly payment.



[Consolidate through  
www.studentaid.gov](http://www.studentaid.gov)

## By Loan Type

- Family Federal Education Loans (FFEL) Program (Ended in 2010)
  - Consolidate your loans into the Direct Loan program to qualify for income repayments and forgiveness options.
- Private Loans
  - You **cannot** consolidate private loans into Direct Loans.
- Perkins Loans
  - Consider consolidating into the Direct Loan program.
- Direct Loans
  - If all of your loans are already Direct Loans, then there is most likely no need to consolidate (some exceptions for homebuying).
  - If you want to consolidate direct loans to private loans, make sure to learn what benefits you are giving up.



# Repayment Plans Chart

Repayment Plan	Payment & Time Frame	Other Information
<b>Standard Repayment</b>	<ul style="list-style-type: none"> <li>• Fixed payments</li> <li>• 10 years</li> </ul>	<ul style="list-style-type: none"> <li>• Pay less over time</li> </ul>
<b>Graduated Repayment</b>	<ul style="list-style-type: none"> <li>• Payment increases every 2 years</li> <li>• 10 years</li> </ul>	<ul style="list-style-type: none"> <li>• Pay more over time</li> </ul>
<b>Extended Repayment</b>	<ul style="list-style-type: none"> <li>• Fixed or graduate payments</li> <li>• 25 years</li> </ul>	<ul style="list-style-type: none"> <li>• Debt of \$30,000 or more</li> <li>• Lower monthly payment</li> </ul>
<b>Revised Pay As You Earn (REPAYE)</b>	<ul style="list-style-type: none"> <li>• 10% discretionary income</li> <li>• 20 years for undergraduate loans</li> <li>• 25 years for graduate loans</li> </ul>	<ul style="list-style-type: none"> <li>• Both spouses income</li> <li>• Forgiveness PSLF</li> <li>• Not taxed if PSLF</li> <li>• No cap level</li> </ul>
<b>Pay As You Earn (PAYE)</b>	<ul style="list-style-type: none"> <li>• 10% discretionary income</li> <li>• 20 years for both undergraduate and graduate loans</li> </ul>	<ul style="list-style-type: none"> <li>• New borrower after 10/1/2007</li> <li>• Forgiveness PSLF</li> <li>• Separate spouses income</li> <li>• Not taxed with PSLF</li> <li>• 10 year standard cap level</li> </ul>
<b>Income Based Repayment (IBR) &amp; New IBR</b>	<ul style="list-style-type: none"> <li>• <b>15% discretionary income</b></li> <li>• <b>25 years if not a new borrow</b></li> <li>• 10% discretionary income if new borrower after July 1, 2014 (new IBR)</li> <li>• 20 years if new borrower (new IBR)</li> </ul>	<ul style="list-style-type: none"> <li>• Separate spouses income</li> <li>• Forgiveness PSLF</li> <li>• Not taxed if PSLF</li> <li>• 10 year standard cap level</li> </ul>
<b>Income Contingent Repayment (ICR)</b>	<ul style="list-style-type: none"> <li>• 20% discretionary income</li> <li>• 25 years for all loans</li> <li>• Parent Plus Loan only if the parent has loans themselves to consolidate</li> </ul>	<ul style="list-style-type: none"> <li>• Repay DL jointly with spouse</li> <li>• Separate spouses income</li> <li>• Forgiveness PSLF</li> <li>• Not taxed if PSLF</li> <li>• 12 year standard cap level</li> </ul>

# INCOME-DRIVEN REPAYMENT PLANS

- The Income-Driven Repayment Plans are created based on the borrower's income and family size to calculate a monthly student loan payment (discretionary income).
- There are four main types of Income Driven Repayments Plans:
  - **Revised Pay As You Earn Repayment Plan (REPAYE Plan)**
  - **Pay As You Earn Repayment Plan (PAYE Plan)**
  - **Income-Based Repayment Plan (IBR Plan) and New IBR**
  - **Income-Contingent Repayment Plan (ICR Plan)**
- Although the monthly payments may be low, the borrower will pay more interest over time.
- Anniversary Date: 1 year after your first monthly repayment so you need to do a recertification every year.
- Monthly repayment cap based on a standard repayment plan.
- Compounded if recertification is missed.
- Forgiveness options available – the borrower's servicer will inform the borrower when borrower qualifies for forgiveness for any balance remaining.
- To apply for these repayment plans go to [www.studentaid.gov](http://www.studentaid.gov).

***IMPORTANT TO  
FILE YOUR TAXES!***

# PUBLIC SERVICE LOAN FORGIVENESS (PSLF)

To be **eligible** for the program, the individual must be employed FT (30+ hours a week) by the following:

- U.S. Federal Government
- State, Local, Tribal Government
- Not-for-profit Organization

Forgiveness of remaining balance **after 120 payments** (principal, interest, and tax free) while working full-time for a qualifying employer (roughly at least 10 years).

Payments **ONLY** made **after October 1, 2007** will count towards the 120 payments required.

## Who is the Servicer?

- FedLoan Servicing (This is changing).

## What loans qualify for PSLF?

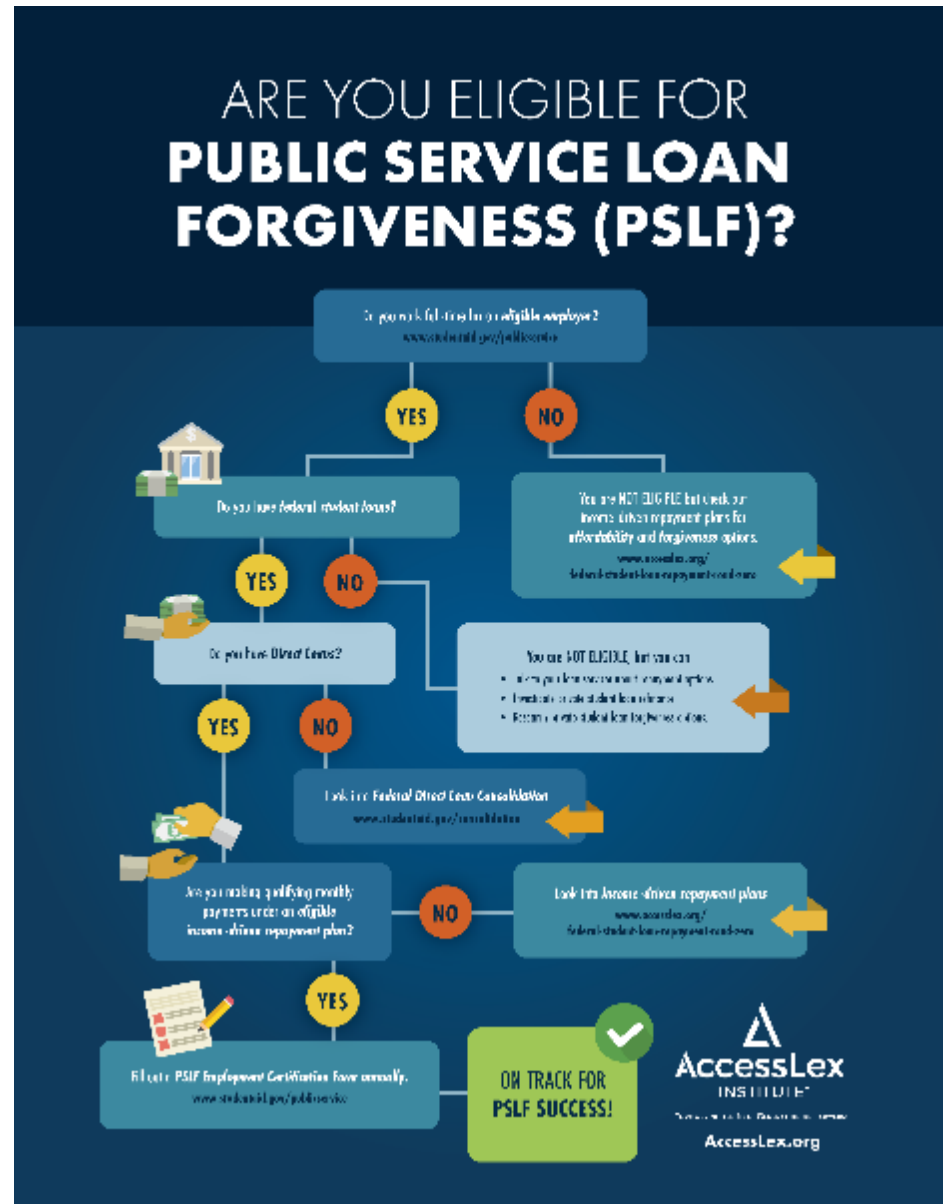
- Any loans received under the William D. Ford Federal Direct Loan Program will qualify for PSLF

## Which loans **do not** qualify for PSLF?

- Federal Family Education Loan (FFEL) Program
- Federal Perkins Loan (Perkins Loan) Program
- Private Loans

## Employment Certification Form – ECF :

- It helps to keep track of progress towards qualifying for PSLF. It is recommended to be submitted annually or when a change of employer occurs.
- For George Mason University employees, send the ECF to HR at [hrverify@gmu.edu](mailto:hrverify@gmu.edu). **DO THIS NOW!**
- Form can be found:  
<https://studentaid.ed.gov/sa/sites/default/files/pub-lic-service-employment-certification-form.pdf>.



# TEACHER LOAN FORGIVENESS

- **Who is considered to be a teacher:**
  - It is an individual who provides direct classroom teaching, or classroom- type teaching in a non-classroom setting. Special Education teachers are considered to be teachers.
- **How much loan forgiveness can a teacher receive?**
  - Depending on the subject the teacher may teach:
    - Up to \$17,500 for teachers teaching mathematics, science and special education.
    - Up to \$5,000 for teachers teaching other subjects that are not mathematics, science, and special education.
- **To be eligible for the program, the individual must be employed by the following:**
  - Must have 5 consecutive years of full-time teaching completed.
  - Must have been employed at a low-income school or educational service agency.
  - Loan(s) subject to forgiveness must be made before the end of the 5 consecutive years of teaching service.
  - You are not eligible to receive forgiveness on a defaulted loan unless you have first made satisfactory repayment arrangements with the holder of the defaulted loan.



- **Which loans do qualify for the Teacher Forgiveness Program?**
  - Direct Loan Program
  - FFEL Program
- **Which loans do not qualify for the Teacher Forgiveness Program?**
  - Plus Loans
  - Federal Perkins loans
- **How to apply?**
  - A Teacher Loan Forgiveness Application must be submitted to the loan servicer of the borrower after completing 5 consecutive years of qualifying teaching.

<https://fsapartners.ed.gov/sites/default/files/attachments/dpcletters/GEN1419AttachTeacherLoanForgivenessApp.pdf>

# FORBEARANCE



- It allows borrowers to stop making their monthly student loan payments or temporarily make smaller payments.
- Work with your servicer to ask for temporary forbearance if transitioning between undergraduate and graduate or between universities in general.
- Forbearance may be granted to individuals who are in financial hardships or illness.
- Interest will still accrue during forbearance for all types of loans. If interest is not paid during the forbearance period, the total amount will be higher.
- Borrowers need to contact their servicers to request forbearance.
- Forbearance does not qualify for Public Service Loan Forgiveness (PSLF)!
  - An exception to this rule are loans in forbearance due to COVID-19.

## Other Programs

- National Health Service Corps (NHSC) has a loan repayment program.  
<https://nhsc.hrsa.gov/loan-repayment/index.html>
- Virginia Health Service Corps has a loan repayment program.  
<https://www.vdh.virginia.gov/health-equity/virginia-loan-repayment-programs-2/>
- Military benefits and loan forgiveness options.  
<https://studentaid.gov/sites/default/files/military-student-loan-benefits.pdf>



### CHOOSE THE PROGRAM THAT'S RIGHT FOR YOU

HRSA is accepting applications for the **NHSC Loan Repayment Program** and the **NHSC Substance Use Disorder (SUD) Workforce Loan Repayment Program**. Clinicians can only apply for one program.

	NHSC Loan Repayment Program	NHSC SUD Workforce Loan Repayment Program
SERVICE COMMITMENT	2 YEARS	3 YEARS
AWARD AMOUNT	UP TO \$50K full time / \$25K half time	UP TO \$75K full time / \$37.5K half time

NHSC.HRSA.GOV



# QUESTIONS?

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For more information on Financial Well-Being here at GMU visit our website:

<https://ssac.gmu.edu/financial-wellbeing/>

View Money Talks Series events and dates along with recordings and PowerPoints

