Preparing for Your Loan Repayment

Full-Time MBA, Spring 2017
Agenda

• Federal Loans
  • Terms & Conditions
  • Repayment Options

• Private Loans
  • Terms & Conditions
  • Lender Information

• Next Steps
  • Register
  • ACH
  • Prepay

• Loan Repayment Assistance Program
  • Who, What & When

• Refinancing
  • Who, What, When & Where

• Questions
FEDERAL LOANS

- Terms & Conditions
- Repayment Options
Federal Direct Unsubsidized Loan

• **Amount**
  • Up to $20,500 per academic year

• **Unsubsidized**
  • Interest accruing since disbursement

• **Interest rates**
  • Loans disbursed in 16-17: 5.31%
  • Loans disbursed in 15-16: 5.84%

• **Repayment**
  • 6-month grace period
  • No pre-payment penalties
  • Standard 10 year repayment
Federal Direct Grad PLUS Loan

• **Amount**
  - Up to COA minus other financial aid

• **Unsubsidized**
  - Interest accruing since disbursement

• **Interest rates**
  - Loans disbursed in 16-17: 6.31%
  - Loans disbursed in 15-16: 6.84%

• **Repayment**
  - 6-month grace period
  - No pre-payment penalties
  - Standard 10 year repayment
Rights & Responsibilities

• Deferment & Forbearance
  • Deferment while in-school half-time
  • Forbearance for hardship

• Delinquency and Default
  • If you fail to make a payment you become delinquent
  • If delinquent for 270 days, you go into default. Your credit is damaged, and tax refunds garnished by government.

• Death and Disability Cancellation
  • If you become permanently disabled or pass away, loan will be discharged
Identifying Your Servicer

www.nslds.ed.gov
## Contacting Your Servicer

<table>
<thead>
<tr>
<th>Loan Servicer</th>
<th>Contact</th>
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<tbody>
<tr>
<td>CornerStone</td>
<td>1-800-663-1662</td>
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<tr>
<td>FedLoan Servicing (PHEAA)</td>
<td>1-800-699-2908</td>
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<tr>
<td>Granite State – GSMR</td>
<td>1-888-556-0022</td>
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<tr>
<td>Great Lakes Educational Loan Services, Inc.</td>
<td>1-800-236-4300</td>
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<td>HESC/Edfinancial</td>
<td>1-855-337-6884</td>
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<tr>
<td>MOHELA</td>
<td>1-888-866-4352</td>
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<tr>
<td>Navient</td>
<td>1-800-722-1300</td>
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<tr>
<td>Nelnet</td>
<td>1-888-486-4722</td>
</tr>
<tr>
<td>OSLA Servicing</td>
<td>1-866-264-9762</td>
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Federal Repayment Plans

• Standard, 10 years
  • A fixed monthly payment amount

• Graduated
  • Start out low and increase every two years

• Extended, 25 years
  • Must have more that $30,000 in outstanding Direct Loans
  • Can be fixed or graduated payments

• Income-Driven Repayment Plans
  • Pay As Your Earn (PAYE)
  • Income-Based Repayment (IBR)
  • Income-Contingent Repayment (ICR)
Public Service Loan Forgiveness

• **The Benefit**
  - Forgives the remaining balance on your Direct Loans after you have made 120 qualifying monthly payments while working full-time.

• **Qualifying Employment**
  - Government organizations (federal, state, local, tribal)
  - Not-for-profit organizations - 501(c)(3)
  - Other types of not-for-profit organizations that provide certain types of qualifying public services

• **Qualifying Repayment Plans**
  - Income-Driven Repayment Plans & Standard
PRIVATE LOANS

- Terms & Conditions
- Lender Information
Private Loans

• Basic terms of private lenders:
  • Always unsubsidized
  • No pre-payment penalties
  • Usually 6-month grace period
  • Co-signer Release, if applicable

• Commonly used private loan lenders:
  • CommonBond (800)975-7812
  • Discover –(877)728-3030
  • Sallie Mae (888)272-5543
  • SoFi MBAloans@SoFi.com
  • Wells Fargo –(800)658-3567
Rights & Responsibilities

• Deferment & Forbearance
  • Deferment while in-school half-time
  • Forbearance for hardship

• Delinquency and Default
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  • If you become permanently disabled or pass away, loan will be discharged
NEXT STEPS

- Register with Servicer(s)
- Sign up for ACH
- Pay Interest
Next Steps

Register online with your loan servicer(s)

Ensure that your contact info is up-to-date.

Note the date & amount of your first payment.

Sign up for ACH payments

For a 0.25% interest rate reduction

Pay off interest

While in your grace period, before it is capitalized
LRAP

Who, What, & When
LRAP

• Who is eligible to participate?
  • FTMBA grads employed more than half-time for:
    – A nonprofit organization - 501(c)(3) or 501 (c)(4)
    – An agency of government
    – A foreign government, nonprofit, or an international organization on a case by case basis
  • Salary cap currently at $80,000

• What assistance is available?
  • Reimbursement for up to the minimum monthly payment made for the last six months. Application is semi-annual.

• When do I apply?
  • January 15^{th} (payments made July – December)
  • July 15^{th} (payments made January – June)
Refinancing

• **Who are candidates for refinancing?**
  • Those interested in receiving a lower interest rate
  • Those who don’t plan on taking advantage of a federal forgiveness program or income-driven repayment plan
  • Those with strong credit & a steady income

• **What loans can be refinanced?**
  • Most lenders refinance both federal & private loans

• **When should I refinance?**
  • Once you refinance you will immediately enter repayment. Consider waiting until you near the end of your grace period.
Refinancing

• Who should I choose?
  • With an increasing number of lenders in the space, choosing one can seem overwhelming. Consider using a loan comparison tool.

• Make sure it’s worth it!
  • Use their refinance calculators to see how much you could save.
Questions
THANK YOU

Haas Financial Aid Office
www.haas.berkeley.edu/finaid
email: finaid@haas.berkeley.edu
phone: 510.643.0183