

# 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](http://www.nslds.ed.gov)

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FEDERAL STUDENT AID

National Student Loan Data System (NSLDS) for St

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**NSLDS STUDENT ACCESS**  
National Student Loan Data System

**Retrieve Your Loan Information**

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.

[Financial Aid Review](#)

[Exit Counseling](#)

# Contacting Your Servicer

Loan Servicer	Contact
<a href="#">CornerStone</a> 	1-800-663-1662
<a href="#">FedLoan Servicing (PHEAA)</a> 	1-800-699-2908
<a href="#">Granite State – GSMR</a> 	1-888-556-0022
<a href="#">Great Lakes Educational Loan Services, Inc.</a> 	1-800-236-4300
<a href="#">HESC/Edfinancial</a> 	1-855-337-6884
<a href="#">MOHELA</a> 	1-888-866-4352
<a href="#">Navient</a> 	1-800-722-1300
<a href="#">Nelnet</a> 	1-888-486-4722
<a href="#">OSLA Servicing</a> 	1-866-264-9762



# 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)

StudentLoans.gov

# 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



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# 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<sup>th</sup> (payments made July – December)
  - July 15<sup>th</sup> (payments made January – June)

# REFINANCING



Who, What, When & Where

# 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.



**Student Loan Hero**



***Student Loans Guy***

- Make sure it's worth it!
  - Use their refinance calculators to see how much you could save.

# Questions



[dreamstime.com](http://dreamstime.com)



**Financial Aid Office**

**THANK YOU**

Haas Financial Aid Office  
[www.haas.berkeley.edu/finaid](http://www.haas.berkeley.edu/finaid)  
email: [finaid@haas.berkeley.edu](mailto:finaid@haas.berkeley.edu)  
phone: 510.643.0183

