



ST. JOSEPH'S
COLLEGE OF NURSING

Exit Counseling Guide

KNOW YOUR OPTIONS

UNDERSTAND YOUR OPTIONS BEFORE YOU'RE IN TROUBLE

You have options that you should be aware of that can help you. Understand these options and if they could apply to your situation then call your servicer to talk about options. They are there to help!

SEE IF YOU QUALIFY FOR DEFERMENT OR FORBEARANCE

In some circumstances you can receive a deferment or forbearance. This allows you to temporarily postpone or reduce your federal student loan payments. You'll need to work with your loan servicer to apply. Make sure to keep making payments until the deferment or forbearance is in place.

Here are some circumstances that might apply:

- You are back in school
- You are active military
- You are experiencing economic hardship
- You have a serious illness
- You are serving in a medical or dental internship
- You are in the National Guard and have been activated
- You are a teacher and meet qualifying conditions
- Your monthly student loan payments exceed 20% of your monthly income

To learn more about qualifying for deferment or forbearance visit studentaid.gov.

SEE IF YOU QUALIFY FOR LOAN FORGIVENESS, CANCELLATION, OR DISCHARGE

In some cases, your remaining loan amount can be forgiven but you must meet the criteria. Discuss your situation with your loan servicer. You can learn more about each circumstance at studentaid.gov.

CONSIDER CONSOLIDATING YOUR LOANS FOR LOWER PAYMENTS

Most federal loans are eligible for consolidation, but private education loans cannot be included in federal loan consolidation. Consolidating your federal loans can help to manage payments and even reduce your monthly payments. You can apply directly at studentaid.gov or by calling 1-800-557-7394.

LOAN REPAYMENT CHECKLIST

ARE YOU A FEDERAL STUDENT LOAN BORROWER? ARE YOU CONFUSED ABOUT THE STUDENT LOAN REPAYMENT PROCESS?

Don't let the student loan repayment process overwhelm you. Use this checklist to help you manage and repay your federal student loans.

Be an informed borrower by learning about your loans and what to do for a smooth repayment experience. As you work through this checklist, you'll find out how to make payments and figure out which repayment plan is best for you; and you'll know what to do if you're having trouble making payments or think you might be eligible for loan forgiveness.

BEFORE YOU GRADUATE OR LEAVE SCHOOL

- Review your federal student loan history.** Get your loan history by logging in to "[My Federal Student Aid](#)"—you'll need to [create an FSA ID](#) if you don't already have one. As you review your information, note the following:
 - The current loan balance and interest rate for each loan
 - The loan type (depending on when you went to school and what loan programs your school participated in, you may have loans from different federal student loan programs; the types of loans you received can affect what benefits are available to you)
 - The name of the loan servicer for each loan (a [loan servicer](#) is a company that handles the billing and other services on your loans; generally, you'll have one servicer for all your federal student loans, but there is a chance you could have more than one)

- Get to know your loan servicer.** Your servicer helps you with your student loans—for FREE! It's important that you know who your loan servicer is and how to contact them because you will eventually be making your loan payments to your servicer. Take this opportunity to save your servicer's phone number in your phone.

- Create an online account on your servicer's website.** You can find the most detailed and up-to-date information about your loans, make your payments, and manage your loans (for example, change repayment plans or apply for a deferment) on your loan servicer's website. When you create your account, be sure your contact information is correct.

- Complete mandatory exit counseling.** All federal student loan borrowers must complete [exit counseling](#). Exit counseling provides important information you need to help you prepare for repayment of your loans. Check with your school to find out how they want you to complete exit counseling. Schools have different requirements.

If you can afford it, make loan payments while you're in school, especially if your loans are accruing interest. Making payments early can reduce the interest you pay and the cost of your loan over time.

AFTER YOUR GRADUATE OR LEAVE SCHOOL

- Know when you have to start making payments.** For most loans, you'll have six months—or nine months for Federal Perkins Loans—after you graduate, leave school, or drop below half-time enrollment before you must begin making your loan payments. Take this time, also known as your grace period, to make a plan for repayment.
- Create a budget.** Create a budget to determine how much you can realistically afford to pay monthly toward your student loans. [Get help creating a budget.](#)
- Consider loan consolidation.** A Direct Consolidation Loan allows you to combine all of your federal student loans into one loan with one monthly payment. Loan consolidation can be helpful if you have multiple servicers, loans from the Federal Family Education Loan (FFEL) Program, or Federal Perkins Loans. Loan consolidation can increase your chances of qualifying for an affordable repayment plan and loan forgiveness options, but it may not be the best option for you. [Learn more about loan consolidation.](#)
- Set a goal for repayment.** After you know how much you can afford to pay each month, set a goal for repaying your loans. To begin setting your goal, ask and answer this question: "Do I want to repay my loans quickly, or do I want to pay as little as possible per month?" You can't choose both options. Any time you lower your payment, you'll be in repayment for a longer time and you'll pay more interest on your loans.

If your financial situation changes, you can change your repayment plan at any time. If you have questions about your loan repayment options or the process, contact your loan servicer.

- Select an affordable repayment plan.** Now that you've set a goal for repayment, you can find a repayment plan that fits your goal using [Loan Simulator](#).
 - If you want to pay your loans off quickly and you can afford to do it, select the Standard Repayment Plan. Unless you consolidate, your loans will be paid off after 10 years of payments.
 - If you want to have the lowest monthly payment or can't afford to make payments under the Standard Repayment Plan, select an income-driven repayment plan. These plans
 - set your payment at a percentage of your income,
 - will usually have a lower monthly payment than other plans, and
 - can have payments as low as \$0 per month.

With these plans, you'll be in repayment for up to 20 or 25 years. If your loans are not repaid in full after 20 or 25 years, the remaining balance will be forgiven. [Learn more about income-driven repayment plans.](#)

If you don't select a specific repayment plan, your loan will be put on the Standard Repayment Plan. You can switch to a different plan at any time by contacting your loan servicer.

Know whether you are eligible for loan forgiveness based on your employer or your job.

- **Public Service Loan Forgiveness (PSLF) Program:** You may qualify for this loan forgiveness program if you are employed by a government or a not-for-profit organization. You must make 120 qualifying payments under an income-driven plan to qualify. [Learn more about PSLF.](#)
- **Teacher Loan Forgiveness Program:** You may qualify for this program if you (a) teach full-time for five complete and consecutive academic years in certain elementary and secondary schools and educational service agencies that serve low-income families, and (b) meet other qualifications. [Get the details of the Teacher Loan Forgiveness \(TLF\) Program.](#)

Find out more about [forgiveness, cancellation, and discharge.](#)

Teachers! You may qualify for both forgiveness programs (PSLF and TLF)—but not for the same time period.

WHEN IT'S TIME TO START MAKING PAYMENTS

- Make on-time payments to your loan servicer.** Your [loan servicer](#) will provide you with a loan repayment schedule that tells you when your first payment is due, the number and frequency of payments, and the amount of each payment. Contact your loan servicer if you haven't received this information.
- Make repayment simple and save on interest—enroll in automatic debit.** Once you enroll, your payments will be automatically taken from your bank account each month. This will help you to stay on track with your payments, and as an added bonus, you may get a 0.25% interest rate deduction if you have Direct Loans. Check your servicer's website for details.
- Know your options if you can't make your loan payment.** If you don't pay the full amount due on time or if you start missing payments—even one—your loan will be considered delinquent, and late fees may be charged to you. If you can't make your payments, contact your loan servicer immediately for help. Your servicer can offer you temporary or long-term options, such as changing repayment plans, deferment, forbearance, or loan consolidation. [Get details about what to do if you are having trouble making your payments.](#)
- Reduce your federal income taxes.** You may be eligible to deduct a portion of the student loan interest you paid on your federal tax return. Student loan interest payments are reported both to the IRS and to you on IRS Form 1098-E, *Student Loan Interest Statement*. Check with the IRS or a tax advisor to see if you qualify for this deduction.

REPAYMENT PLAN OPTIONS FOR DIRECT LOANS AND FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM LOANS

The repayment plan options below do not include PLUS loans made to parents, Direct Consolidation Loans and FFEL Consolidation Loans, or Federal Perkins Loans. For information about repayment plan options for PLUS loans made to parents, see the brochure *Direct Loan Basics for Parents* at [StudentAid.gov/resources#loan-basics-parents](https://studentaid.gov/resources#loan-basics-parents). For information about repayment of consolidation loans, see [StudentAid.gov/consolidation](https://studentaid.gov/consolidation). For information about repayment of Federal Perkins Loans, contact the school that made the loan.



Traditional Repayment Plans

PLAN	ELIGIBLE BORROWERS	ELIGIBLE LOANS	QUICK COMPARISON
Standard Repayment Plan	All borrowers	<ul style="list-style-type: none"> Direct Subsidized Loans Direct Unsubsidized Loans Subsidized Federal Stafford Loans Unsubsidized Federal Stafford Loans Direct PLUS Loans FFEL PLUS Loans 	<ul style="list-style-type: none"> Time you have to repay: Up to 10 years. Your payments will be a fixed amount of at least \$50 per month. You'll pay less interest for your loan over time under this plan than you would under the other plans.
Graduated Repayment Plan	All borrowers	<ul style="list-style-type: none"> Direct Subsidized Loans Direct Unsubsidized Loans Subsidized Federal Stafford Loans Unsubsidized Federal Stafford Loans Direct PLUS Loans FFEL PLUS Loans 	<ul style="list-style-type: none"> Time you have to repay: Up to 10 years. Your payments <ul style="list-style-type: none"> will start out low and increase every two years; must be at least equal to monthly interest due; and will not be more than three times greater than any other monthly payment. You'll pay more for your loan over time than under the 10-year Standard Repayment Plan.
Extended Repayment Plan	<ul style="list-style-type: none"> Direct Loan borrowers who have more than \$30,000 of Direct Loans to repay, and who obtained their Direct Loans on or after Oct. 7, 1998. FFEL Program borrowers who have more than \$30,000 of FFEL Program loans to repay, and who obtained their FFEL Program loans on or after Oct. 7, 1998. <p><i>Note: There are additional eligibility requirements. View repayment plan details at StudentAid.gov/repay.</i></p>	<ul style="list-style-type: none"> Direct Subsidized Loans Direct Unsubsidized Loans Subsidized Federal Stafford Loans Unsubsidized Federal Stafford Loans Direct PLUS Loans FFEL PLUS Loans 	<ul style="list-style-type: none"> Time you have to repay: Up to 25 years. Your payments will be an amount that ensures that your loan will be paid in full in 25 years. You can choose to make either fixed or graduated payments (payments that start out low and then increase every two years). Your monthly payments will be lower than the 10-year Standard Repayment Plan. You'll pay more for your loan over time than under the 10-year Standard Repayment Plan.

Income-Driven Repayment Plans

The following income-driven repayment plans will set your monthly payment at an amount that is intended to be affordable based on your income and family size. For details, visit StudentAid.gov/idr. Under all income-driven repayment plans, your monthly payment amount is recalculated annually.

PLAN	ELIGIBLE BORROWERS	ELIGIBLE LOANS	QUICK COMPARISON
Revised Pay As You Earn Repayment (REPAYE) Plan	<ul style="list-style-type: none"> Direct Loan Program borrowers with eligible loans 	<ul style="list-style-type: none"> Direct Subsidized Loans Direct Unsubsidized Loans Direct PLUS Loans made to students Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents 	<ul style="list-style-type: none"> Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 or 25 years. You may have to pay income tax on any amount that is forgiven. Your monthly payments will be 10 percent of your discretionary income** and can be more than the 10-year Standard Repayment Plan amount. Payments are recalculated each year and are based on your updated income and family size. If you're married, both your and your spouse's income or loan debt will be considered, whether taxes are filed jointly or separately (with limited exceptions). This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).
Pay As You Earn Repayment (PAYE) Plan	<ul style="list-style-type: none"> Direct Loan Program borrowers who meet these requirements: <ul style="list-style-type: none"> You must be a new borrower* on or after Oct. 1, 2007. You must have received a disbursement of a Direct Loan on or after Oct. 1, 2011. To be initially eligible, the required payment amount under this plan must be less than what you would pay under the 10-year Standard Repayment Plan. 	<ul style="list-style-type: none"> Direct Subsidized Loans Direct Unsubsidized Loans Direct PLUS Loans made to students Direct Consolidation Loans that do not include PLUS loans (Direct or FFEL) made to parents 	<ul style="list-style-type: none"> Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years. You may have to pay income tax on any amount that is forgiven. Your maximum monthly payments will be 10 percent of your discretionary income** and will never be more than the 10-year Standard Repayment Plan amount. Payments are recalculated each year and are based on your updated income and family size. If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return. You must have a high debt relative to your income. You'll pay more for your loan over time than you would under the 10-year Standard Repayment Plan. This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).
Income-Based Repayment (IBR) Plan	<ul style="list-style-type: none"> Direct Loan Program and FFEL Program borrowers who meet this requirement: <ul style="list-style-type: none"> To be initially eligible, the required payment amount under this plan must be less than what you would pay under the 10-year Standard Repayment Plan. 	<ul style="list-style-type: none"> Direct Subsidized Loans Direct Unsubsidized Loans Subsidized Federal Stafford Loans Unsubsidized Federal Stafford Loans Direct or FFEL PLUS Loans made to students Direct or FFEL Consolidation Loans that do not include PLUS loans made to parents 	<ul style="list-style-type: none"> Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 or 25 years. You may have to pay income tax on any amount that is forgiven. Your monthly payments will be 10 or 15 percent of your discretionary income** and your monthly payment will never be more than the 10-year Standard Repayment Plan amount. Payments are recalculated each year and are based on your updated income and family size. If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return. You must have a high debt relative to your income. You'll pay more for your loan over time than you would under the 10-year Standard Repayment Plan. This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).
Income-Contingent Repayment (ICR) Plan	<ul style="list-style-type: none"> Direct Loan Program borrowers with eligible loans 	<ul style="list-style-type: none"> Direct Subsidized Loans Direct Unsubsidized Loans Direct PLUS Loans made to students Direct Consolidation Loans (including Direct Consolidation Loans made after July 1, 2006 that repaid PLUS loans made to parents) 	<ul style="list-style-type: none"> Any outstanding balance will be forgiven if you haven't repaid your loan in full after 25 years. You may have to pay income tax on the amount that is forgiven. Your payments will be lesser of <ul style="list-style-type: none"> 20 percent of your discretionary income;** or the amount you would pay on a repayment plan with a fixed payment over 12 years, adjusted according to your income. Payments are recalculated each year and are based on your updated income, family size, and the total amount of your Direct Loans. Your monthly payment can be more than the 10-year Standard Repayment Plan amount. You'll pay more for your loan over time than you would under the 10-year Standard Repayment Plan. If you're married, your spouse's income or loan debt will be considered only if you file a joint tax return or you choose to repay your Direct Loans jointly with your spouse. This is a good option if you are seeking Public Service Loan Forgiveness (PSLF).
<p>*For PAYE and IBR plans, you are a new borrower if you had no outstanding balance on a Direct Loan or Federal Family Education Loan (FFEL) Program loan when you received a Direct Loan on or after the date specified above for each plan.</p> <p>Note: There are additional eligibility requirements. View repayment plan details at StudentAid.gov/repay.</p>			
<p>**For PAYE and IBR plans, discretionary income is the difference between your total income and 150 percent of the poverty guideline for your family size and state of residence. For the ICR Plan, discretionary income is the difference between your total income and the poverty guideline for your family size and state of residence. If you are married, under certain circumstances your discretionary income may include your spouse's income.</p>			

COMMON MISTAKES

Student loan repayment can be confusing at times, but the Knowl is here to help. He's compiled a few common misconceptions you can easily avoid.

I JUST LEFT SCHOOL (AGAIN). I HAVE 6 MONTHS TO PAY.

Are you sure? If you've ever been out of school (or below half-time status) for six months in the past, you've probably used the grace period up and you may be entering repayment sooner than you thought. Once your loans initially enter repayment, they will never have another grace period, even if you go back to school. In fact, these older loans begin in repayment immediately once you leave classes or fall below half-time student status.

I'LL BE IN SCHOOL SOON, SO I DON'T HAVE TO PAY.

In-school deferment can only be used once you start classes and maintain half-time status or greater. If you ever fall below half-time status, the deferment stops. If you have loan payments due before classes start, you must make those payments. If you can't, you may be able to request a hold on the account.

Knowl note: Never assume! Always check your deferment status with your servicer.

NO STATEMENTS? GUESS I DON'T HAVE TO PAY.

Once your loan enters repayment, you are accountable for the monthly payments. Miscommunication and even honest confusion will not erase a past-due amount. If you are not receiving statements, contact your servicer(s) immediately. You may need to update your contact information or address another issue.

I CAN'T MAKE A PAYMENT, SO I'LL JUST AVOID THINKING ABOUT MY LOAN.

If you are ever in this situation, contact your servicer immediately! Ask about postponement options, repayment plan changes, and making partial payments if you're able. Letting your account fall past due can:

- Make it more difficult for servicers to help you recover
- Severely damage your credit score
- Lead to hefty fees and penalties
- Ultimately lead to defaulting on your loan

Knowl note: Your servicers are there to help. Don't delay; contact them to find a solution that works for you.

USING FORBEARANCE OR DEFERMENT LOOKS BAD.

Wrong. Deferments and forbearance put the account in good standing, helping you avoid negative credit reporting, late fees and complications with re-enrolling in school. Here's why it may be the best decision for you:

- Negative credit reports cannot be sent on delinquent accounts during deferment/forbearance
- Postponement will not raise your interest rate
- In addition to interest, you may be charged late fees if your loan is past due

Know! note: Allowing your account to sit at past due is never a smart plan! Ask for help.

I WORKED SOMETHING OUT WITH ONE OF MY LOAN SERVICERS, SO ALL MY SERVICERS WILL FIGURE IT OUT.

Applying for loan assistance with one servicer has no effect on other loans you have with other servicers. If you need to apply for assistance on all of your student loans, make the arrangements with each of your servicers individually.

Know! note: Be sure to follow up with your servicers individually, too!

I SENT AN APPLICATION TO MY SERVICER. MY JOB IS DONE.

Not quite. If you send important documents to your servicer, take the initiative to follow up. Confirm that they received the form, monitor your online account, or call to make sure the requested change is applied.

I SET UP AUTOMATIC PAYMENTS. NOW I CAN FORGET ABOUT IT.

Automatic payment arrangements help many borrowers repay on time each month. But you can't go on autopilot along with your payment. A problem with insufficient funds or changes at your bank may cause an error, or cancel the automatic payment altogether. Be sure to confirm the payment has gone through, each and every time.

Know! note: You are ultimately responsible for your loan repayment, so pay attention to the details!

SOMEONE ELSE IS MAKING MY PAYMENTS. IT'S NOT MY RESPONSIBILITY

Maybe you're getting help from a parent, a spouse, a child or someone else to make payments on your account. But if the loan is in your name, it is legally your responsibility to repay it. You are also the only one who can request postponement or plan changes. If the loan falls past due, the consequences of delinquency are all yours.

SIGNS OF A STUDENT DEBT RELIEF SCAM

You've probably seen ads from companies promising to help with your student loan debt. Here's what you should know: there's nothing a student loan debt relief company can do for you that you can't do yourself for free. And some of the companies that promise relief are scams.

NEVER PAY AN UP-FRONT FEE.

It's illegal for companies to charge you before they help you. If you pay up front to reduce or get rid of your student loan debt, you might not get any help — or your money back.

ONLY SCAMMERS PROMISE FAST LOAN FORGIVENESS.

Before they know the details of your situation, scammers might say they can quickly get rid of your loans through a loan forgiveness program — programs most people won't qualify for. Or they might say they will wipe out your loans by disputing them. But they can't do either.

A DEPARTMENT OF EDUCATION SEAL DOESN'T MEAN IT'S LEGIT.

Scammers use official-looking names, seals and logos, and tell you they have special access to certain repayment plans, new federal loan consolidations, or loan forgiveness programs. They don't. If you have federal loans, go to the Department of Education directly at [StudentAid.gov](https://studentaid.gov).

DON'T BE RUSHED INTO A BAD DECISION.

To get you to act fast, scammers tell you that you could miss qualifying for repayment plans, loan consolidation, or loan forgiveness programs if you don't sign up right away. Take your time and check it out.

DON'T GIVE AWAY YOUR FSA ID.

Some scammers claim they need your FSA ID to help you, but don't share your FSA ID with anyone. Dishonest people could use that information to get into your account and take control of your personal information.

REPORT SCAMS

If you think you've responded to a scam, tell the [FTC](https://www.ftc.gov) and your [State Attorney General](https://www.state.gov).

RESOURCES

Federal Student Aid's Website **StudentAid.gov**

For videos, infographics, and other federal student aid publications, visit **StudentAid.gov/resources**.

Repay Your Loans

Get information about managing repayment of your federal student loans at **StudentAid.gov/repay**.

Financial Aid for Graduate and Professional Degree Students

Are you planning to go to graduate or professional school but need help paying for your education? See **StudentAid.gov/grad**.

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