MANDATORY EXIT REQUIREMENT

- Complete on line exit counseling
  www.studentloans.gov

- Need FAFSA PIN number, references, addresses and phone numbers

- Request PIN at www.pin.ed.gov
KEY INDUSTRY PLAYERS

- Financial Aid Office
- Federal Government
- Servicer
- Credit bureaus
Not need-based

You pay interest while in school
  - Interest begins accruing at disbursement
  - Pay interest as you go
  - Pay capitalized interest
    - Unpaid interest is added to the principal
    - Increases total debt & monthly payment
FEDERAL DIRECT GRADUATE PLUS LOANS

- Not need based
- Interest accruing while in school
Federal Direct Unsubsidized

- Starting July 1, 2015 - 5.84%
- Starting July 1, 2014 - 6.21%.
- Starting July 1, 2013 - 5.41%.
- From July 1, 2006 until June 30, 2013 - 6.8%.
Federal Direct Graduate PLUS

- Starting July 1, 2015 - 6.84%
- Starting July 1, 2014 - 7.21%
- Starting July 1, 2013 - 6.41%
- From July 1, 2006 until June 30, 2013 fixed 7.9%.
One-time grace period
- Six months for the Federal Direct Stafford Loans
- Nine months for the Perkins Loans
- Six months for Federal Direct Graduate Plus
- Begins after you graduate, leave school or drop below half time
- Monthly payments begin when your grace periods end
DEFERMENTS

- Postponement of payments

- Primary reasons
  - In-school
  - Unemployment
  - Economic hardship
  - Military service
FORBEARANCE

- Temporary reduction or postponement of payments
- Not automatic – must apply & be approved
- Interest will continue to accrue

- Primary reasons
  - Poor health
  - Payment exceeds 20% of month income
  - Residency program
  - Temporary financial set-backs
YOUR RESPONSIBILITIES

- Repay your loans
- Make on-time, monthly payments
- Read correspondence from servicer
- Ask your servicer for help, if needed
- Notify servicer of changes within 10 days
  - Name, address and telephone number
KEYS TO SUCCESSFUL REPAYMENT

- Keep servicer informed about changes
- Keep copies of all documents in one place
- Open all mail
- The longer it takes to repay your loans, the more interest you will pay
- Build good credit with timely payments
- Always ask for help
# Loan Repayment Option Examples

<table>
<thead>
<tr>
<th>Debt</th>
<th>Repayment Terms</th>
<th>5.84% Interest Rate</th>
<th>6.84% Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Monthly Payment</td>
<td>Total Paid</td>
</tr>
<tr>
<td>$100,000</td>
<td>10 Years</td>
<td>$1,114</td>
<td>133,690</td>
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<tr>
<td></td>
<td>25 Years</td>
<td>$641</td>
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<td>30 Years</td>
<td>$596</td>
<td>$214,442</td>
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<td>10 Years</td>
<td>$1,671</td>
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<td></td>
<td>25 Years</td>
<td>$1,283</td>
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<tr>
<td></td>
<td>30 Years</td>
<td>$1,191</td>
<td>$428,878</td>
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<tr>
<td>Debt</td>
<td>Repayment Terms</td>
<td>6.21% Interest Rate</td>
<td>7.21% Interest Rate</td>
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<td>-----------------</td>
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<td></td>
<td>Monthly Payment</td>
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<td>25 Years</td>
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<td></td>
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<td>$1,240</td>
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## Loan Repayment Option Examples

<table>
<thead>
<tr>
<th>Debt</th>
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<th>5.41% Interest Rate</th>
<th>6.41% Interest Rate</th>
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<td>Terms</td>
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# Ford Direct Stafford and Graduate PLUS Examples

<table>
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<th>6.8% Interest Rate</th>
<th>7.9 % Interest Rate</th>
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<td>$1,151</td>
<td>$138,096</td>
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<td>$1,439</td>
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<td>$1,726</td>
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<tr>
<td>$200,000</td>
<td>$2,302</td>
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</table>

**Assumptions:**
- 10-year repayment period (120 Months)
- No payment incentives
## Consolidation & Extended Repayment Example

<table>
<thead>
<tr>
<th>Debt</th>
<th>8.25% Interest Rate</th>
<th>30-year repayment period</th>
<th>Maximum term for Federal Consolidation</th>
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<tbody>
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<td></td>
<td>Monthly Payment</td>
<td>Total Paid</td>
<td>Monthly Payment</td>
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<td>$60,000</td>
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<td>$175,000</td>
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<td>$1,503</td>
<td>$540,912</td>
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</table>

**Assumptions:**
- No payment incentives
REPAYMENT OPTIONS

- Standard Repayment Plan
- Graduated Repayment Plan
- Extended Repayment Plan
- Income based repayment (effective July 1, 2009)
- Income Contingent Repayment (ICR)
- Pay as you Earn
LOAN CONSOLIDATION

- Combine Stafford, Graduate Plus and Perkins loans into one single new loan
- Lose Perkins cancellation provisions
- Payments begin at consolidation
- Automatic payment discount – ask lender for details
- Consecutive monthly payments
Contact Direct Loans

No pre-payment penalty

One monthly payment
  - Lower payment
  - Longer repayment terms
  - Assists with home purchase
  - Consolidation calculators on finaid.org
LOAN CANCELLATION

- In extreme circumstances a loan may be canceled due to:
  - Total & permanent disability
  - Death
CONSEQUENCES OF DEFAULT

- Full amount of loan is due – plus collection costs
- Credit will be tarnished
- Lose deferment & forbearance options
CONSEQUENCES OF DEFAULT

- Lose eligibility for future financial aid
- May lose eligibility for certain federal or state jobs
- May lose professional license
- Subject to federal & state offsets
  - Wage & tax refund may be garnished
  - State lottery winnings will be taken
PROTECT YOUR CREDIT

- One free copy of your credit report each year at:
  www.annualcreditreport.com
  Equifax
  Experian
  TransUnion
NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)

- Central database for student aid records
  - Track loans from disbursement to payoff
  - Total student loan indebtedness
  - Loan status & interest rate
- www.nslds.ed.gov
- Request PIN at www.pin.ed.gov
UNRESOLVED LOAN PROBLEMS:

- **Contact:**
  
  U.S. Department of Education  
  FSA Ombudsman  
  830 First Street, N.E.  
  Washington, DC 20202-5144  
  877-557-2575  
  fsaombudsmanoffice@ed.gov
BAR LOANS

- Private Loans (no consolidation or extended repayment)
- Credit check
- Variable interest rate
- Aggregate Amount depends on lender
- Take rest of eligible for School year before Bar Loan
LRAP GRANT

Public Interest Loan Repayment Assistance Program

UNIVERSITY OF THE PACIFIC
McGeorge School of Law

University of the Pacific
McGeorge School of Law
Financial Aid Office
3200 Fifth Avenue
Sacramento, CA 95817
Phone 916.739.7158 Fax 916.739.7162
finaid@pacific.edu
CONGRATULATIONS AND GOOD LUCK WITH THE BAR EXAM!!!!