

Congratulations SKMC Class of 2021!

**From:
The Financial Aid Office Team**

Before we start the presentation.....

- **Changes to federal loans affected by the COVID 19**
 - **payments on federal loans automatically stopped from March 13, 2020, and continues through Sept. 30, 2021.**
 - To provide relief to student loan borrowers during the COVID-19 national emergency, federal student loan borrowers are automatically being placed in an administrative forbearance, which allows you to temporarily stop making your monthly loan payment. This suspension of payments will last until Sept. 30, 2021, but you can still make payments if you choose.
 - **From March 13, 2020, through Sept. 30, 2021, the interest rate is 0% on the following types of federal student loans owned by ED:**
 - Defaulted and nondefaulted Direct Loans
 - Defaulted and nondefaulted FFEL Program loans
 - Federal Perkins Loans
 - Please note that some FFEL Program loans are owned by commercial lenders, and some Perkins Loans are owned by the institution you attended. These loans are not eligible for this benefit at this time.
- **<https://studentaid.gov/announcements-events/coronavirus>**

To Do

IF NOT DONE ALREADY

complete *federally required* online EXIT counseling at <http://studentaid.gov>

LATER

Survey - we will email you a survey link prior to May 15

FOR THOSE WITH JEFFERSON LOANS

Sign online Repayment Schedule -Tuition Office will contact you to complete

Exit Interview Goals

- **BASICS**

- Rights/responsibilities
- servicer requirements
- Verifying the accuracy of your debt

- **STRATEGIES**

- Repayment Hierarchy & overall strategies
- What to do/when to do it
- Residency Repayment options
 - Forbearance or Income Driven Repayment or something else??
- Consolidation
- Don't Default!!

Loans to cover

- 1) Institutional loans
 - TJU loan
 - Alumni loan
 - Perkins loan
 - PCL
 - Donor named
- 2) Federal Direct and FFELP Stafford
- 3) Federal Direct and FFELP Grad PLUS
- 4) Private alternative loans

University Loans

Jefferson is the lender for....

- Institutional loans (e.g., TJU Loans, Alumni Loans, Morgan Loan etc.)
- Certain Federal Loans
 - Federal Perkins
 - Federal Loans for Disadvantaged Students
 - Federal Primary Care Loans

Loans Parameters - TJU Administered Loans

Loans Administered By TJU	University Loans	Federal Perkins	Federal Loans for Disadv. Students	Federal Primary Care Loan
Lender	TJU	TJU	TJU	TJU
Servicer	Heartland ECSI	Heartland ECSI	Heartland ECSI	Heartland ECSI
grace period	12 Months	9 Months	12 months	12 months
interest rate in school	0%	0%	0%	0%
interest rate in grace period	0%	0%	0%	0%
interest rate in repayment	5%	5%	5%	5%
eligible for post graduation postponement?	NO *	Yes - forbearance only	Yes - 3 years residency deferment	Yes - 3 years residency deferment
Interest rate during postponement	5%	5%	0%	0%
repayment period	10 Years	10 Years	10 Years	10 Years
Can be consolidatated with Stafford and Grad PLUS?	NO	YES	YES	NO - has service commitment
Eligible for Income Driven Repayment?	NO	NO - unless consolidated	NO - unless consolidated	NO
Eligible for Public Service Loan Forgiveness (PSLF)?	NO	NO - unless consolidated	NO - unless consolidated	NO
Cancellation upon Death or Permanent Disability	YES	YES	YES	YES

*** exceptions: Wayland, Kellogg, Snyder, Bacharach, and Robt Wood Johnson have reduced interest rates**

****exceptions: Wayland, Robt. Wood Johnson, Sledd Cunnison loan have post graduate training deferment options beyond Grace period**

TJU Loan Repayment Schedule

- Tuition Office will send you link to an online Repayment Schedule.
- The Repayment Schedule Lists:
 1. payment start date
 2. monthly payment amount
 3. repayment period
 4. interest rate
 5. amount of interest that will accrue over life of loan
 6. total loan cost (interest and principal)

Institutional & Institutionally administered Loans

Serviced by Heartland ECSI

888.549.3274

<https://borrower.ecsi.net/>

What Loans are considered to be Jefferson Administered Loans?

- Federal Perkins Loan
- Alumni Loan, Simpson Loan, Levi Loan, TJU Loan etc.
- Federal PCL and LDS

ECSI offers the ability to make payments via several methods.

Online

- Direct Payment (future or recurring ACH Payments),
- eCheck (single ACH payments drawn today), or
- Credit Card.

ACH & Credit Card payments can also be made over the phone

Mail (remember to include the name of your school)

Thomas Jefferson University
c/o Educational Computer Systems,
Inc.
PO Box 718
Wexford, PA 15090

Contact Heartland ECSI in the following ways:

Voice: 888-549-3274

412-788-3900

Email:

webcservice@ecsi.net - Customer Service (Borrower) issues

webmaster@ecsi.net - Web/Internet related issues

On-Line: Live Customer Service chat

**ALL INSTITUTIONAL LOANS GET
REPAID TO THE UNIVERSITY VIA
HEARTLAND ECSI**

Login in Screen at ECSI-Heartland School code is 012393

borrower.ecsi.net

ECSI SERVICE NEVER RESTS

Welcome,

Please log in below to access and manage your account 24/7, where you can make payments, view bills, and more.

LOG IN TO ACCESS YOUR ACCOUNT [Need help logging in?](#)

School code [?] Account number [?] Pin/Password [?]

LOG IN

Show Typing

YOU ASKED, AND WE LISTENED.
Be on the lookout for our new and improved billing statement coming soon!

- ✓ An easy-to-read format
- ✓ Simple-to-understand account information
- ✓ Breakdown of detail for multiple loans
- ✓ Important contact information
- ✓ Flexible payment options explained
- ✓ Benefit information at your fingertips

CUSTOMER SERVICE

DOWNLOAD FORMS

VIEW TAX INFORMATION

FREQUENTLY ASKED QUESTIONS

HELPFUL LINKS AND RESOURCES

APPLY FOR MONTHLY TUITION PAYMENT PLAN

eSIGN A PROMISSORY NOTE

Federal Loan Programs

Federal Direct Loans/Private “ALP” Loans Parameters

	Federal Direct Stafford Loan	Federal Direct Graduate PLUS Loan	Private Alternative Loans
Lender - 7/1/10 to present	Fed. Government/Dept. of Education	Fed. Government/Dept. of Education	Private Bank
Lender - prior to 6/30/10	Private lender for Government	Private lender for Government	Private Bank
Servicer	Differs by Student	Differs by Student	Differs depending on Bank
grace period	6 months	0 *	6-9 months - check Promissory Note
eligible for post graduation postponement?	Forbearance - residency	Forbearance - residency	usually 3 years - check with lender
repayment period	10 yrs min/25 yrs max	10 yrs min/25 yrs max	usually max of 15 years
Can be consolidated with Stafford and Grad PLUS?	Yes	Yes	NO
Eligible for Income Driven Repayment?	Yes	Yes	NO
Eligible for Public Service Loan Forgiveness (PSLF)?	Yes	Yes	NO
Cancellation upon Death or Permanent Disability	Yes	Yes	NO

Interest Rates

Federal Direct Loans/Private “ALP” Loans

Federal/Private Loans	Federal Direct Stafford Loan	Federal Direct Graduate PLUS Loan	Private Alternative Loans
interest rate in school	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
interest rate in grace period	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
interest rate in repayment	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
Interest rate during postponement	fixed at interest rate when borrowed	fixed at interest rate when borrowed	prevailing variable rate/no ceiling
Interest rates:	Interest rates below reflect the "graduate" rate. Undergraduate students have a lower rate.		
Loans borrowed between 7/1/2019 & 6/30/2020	6.08%	7.08%	variable/fixed rate
Loans borrowed between 7/1/2018 & 6/30/2019	6.60%	7.60%	variable/fixed rate
Loans borrowed between 7/1/2017 & 6/30/2018	6%	7%	variable/fixed rate
Loans borrowed between 7/1/2016 & 6/30/2017	5.31%	6.31%	variable/fixed rate
Loans borrowed between 7/1/2015 & 6/30/2016	5.84%	6.84%	variable/fixed rate

2020-21

Federal Direct Loan	4.3%
Federal Direct Graduate PLUS Loan	5.3%

Know who holds your loans!

IMPORTANT

- Servicer-Collecting and managing your payments and working with you on repayment plans, deferment, and forbearance

Know What Servicers Have Your Loans - Find Your Federal Student Loans

<http://studentaid.gov> – log in with your FSA id

The screenshot shows the homepage of studentaid.gov. At the top, there is a navigation bar with the following elements: a search icon, a star icon, a user profile icon, and a menu icon. Below this is a secondary navigation bar with the text "An official website of the United States government" on the left, "Help Center" and "English | Español" on the right, and the "Federal Student Aid" logo in the center. The main navigation menu includes "UNDERSTAND AID", "APPLY FOR AID", "COMPLETE AID PROCESS", and "MANAGE LOANS", each with a dropdown arrow. To the right of the menu are "Log In" and "Create Account" links, and a search icon. The main content area features a large teal background with the headline "You Are America's Smartest Investment" in white. Below the headline is a paragraph: "The U.S. Department of Education's office of Federal Student Aid (FSA) provides more than \$120 billion in financial aid to help pay for college or career school each year." To the right of this text is a white "Log In" button and a "Create Account" link. At the bottom, there are four teal-colored boxes with white text, each representing a user role: "Considering School" (with a subtext "I'm thinking about going to college or a career school."), "In School" (with a subtext "I'm in the process of earning a degree or certificate."), "Parent" (with a subtext "I want to help my child pay for college."), and "In Repayment" (with a subtext "I have loans I need to repay.").

studentaid.gov

An official website of the United States government

Help Center English | Español

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾

Log In | Create Account

You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid (FSA) provides more than \$120 billion in financial aid to help pay for college or career school each year.

Log In

Create Account

Considering School
I'm thinking about going to college or a career school.

In School
I'm in the process of earning a degree or certificate.

Parent
I want to help my child pay for college.

In Repayment
I have loans I need to repay.

Finding Your Student Loans

Federal Student Loans

<http://studentaid.gov>

Private Student Loan

www.annualcreditreport.com

The screenshot shows the homepage of studentaid.gov. At the top, there is a navigation bar with the Federal Student Aid logo and several menu items: UNDERSTAND AID, APPLY FOR AID, COMPLETE AID PROCESS, and MANAGE LOANS. Below the navigation bar, the main heading reads "You Are America's Smartest Investment". Underneath this heading, a paragraph states: "The U.S. Department of Education's office of Federal Student Aid (FSA) provides more than \$120 billion in financial aid to help pay for college or career school each year." To the right of this text is a "Log In" button and a "Create Account" link. At the bottom of the page, there are four teal-colored boxes with white text, each representing a different user group: "Considering School" (I'm thinking about going to college or a career school), "In School" (I'm in the process of earning a degree or certificate), "Parent" (I want to help my child pay for college), and "In Repayment" (I have loans I need to repay).

The screenshot shows the homepage of AnnualCreditReport.com. At the top, the logo "AnnualCreditReport.com" is displayed, followed by the tagline "The only source for your free credit reports. Authorized by Federal law." Below this is a navigation bar with several menu items: Home, All about credit reports, Request yours now!, What to look for, Protect your identity, Frequently asked questions, and Contact us. The main content area features a large blue banner with the text "There's more to the game than a score." and a photograph of a soccer player in a yellow jersey. Below the banner, there is a section titled "What affects your credit score?" with a list of bullet points: "Credit reports may affect your mortgage rates, credit card approvals, apartment requests, or even your job application." and "Reviewing credit reports helps you catch signs of identity theft early." To the right of this section, there is a "Request your free credit reports" button. At the bottom of the page, there are logos for the credit reporting agencies: Experian, TransUnion, and EQUIFAX.

Private Educational Loans

Private Educational Loans (“Alternative Loans”) (includes Residency/Relocation loans)

- Usually 6 to 9 month grace (interim) period
- Most loans borrowed during medical school are deferred for at least 3 years during residency – read promissory note
 - Double check your private loans from undergrad. They most likely will NOT have a residency postponement period
- Interest rate will change as frequent as the index used (indexes include 30 day LIBOR; 91 day LIBOR; PRIME RATE)
- there is usually no ceiling on the interest rate.
- Repayment is usually on a standard 10 or 15 year basis; Income driven repayment (as with federal loans) plans are not offered
- Private loans are not eligible for Public Service Loan Forgiveness (PSLF) and cannot be included in federal consolidation
- **Usually Not cancelled** upon death or permanent disability

- **Repayment Plans and Strategies**

Forbearance

- **What is it?** Postponement of your federal loans for a set period of time - usually for 12 months at a time.
- Available for duration of residency for Direct Loans, Grad PLUS and Federal Consolidation Loans
- Application required at least annually – most servicers require Housestaff Office to sign a Residency Verification form
- **Mandatory** that servicer grant forbearance for residency... but borrower MUST ask for it/complete annual form
- Interest **accrues** and may **capitalize** on **all loans**, subsidized and unsubsidized – confirm with your servicer
- Use only after you have exhausted your grace period

Repayment Plans

Based on
income

Based on
loan debt

Revised Pay As
You Earn

Pay As You Earn

Income-
Contingent

Income-Based

Graduated

Extended

Standard

Federal Repayment Plans/Options

	STANDARD REPAYMENT OPTIONS			INCOME "DRIVEN" REPAYMENT OPTIONS			
Federal FFELP/Direct Loan Repayment Options	Standard Repayment	Extended Repayment	Graduated Repayment	Income Contingent Repayment	Income Based Repayment	Pay As You Earn	Revised Pay As You Earn (REPAYE)
Monthly Payment	Equal/Level Monthly Payments	Equal/Level Monthly Payments	Start Low & increase every 2 years	Payments tied to Income	Payments tied to Income	Payments tied to Income	Payments tied to Income
Monthly Payment Calculation	Principal + interest for repayment	Principal + interest for repayment	will never be less than the amount of interest that accrues between your payments, and won't be more than three times greater than any other payment.	The lesser of the following: 20% of your discretionary income or what you would pay on a repayment plan with a fixed payment over the course of 12 years, adjusted according to your income	Generally 15% of your discretionary income, but never more than the 10-year Standard Repayment Plan amount	Generally 10% of your discretionary income, but never more than the 10-year Standard Repayment Plan amount	Generally 10% of your discretionary income: no cap on annual repayment plan amount
	Debt divided number of months of repayment	Debt divided number of months of repayment					
Repayment Period	10 Years	25 Years	10 Years (up to 30 years for consolidated loans)	25 Years	25 Years	20 Years	All Undergraduate Loans - 20 years Mixture of Undergrad and Grad loans or all Grad Loans – 25 years
What Federal Loans Qualify	FFELP and Direct	FFELP and Direct	FFELP and Direct	Direct Loans Only	FFELP and Direct	Direct Loans Only	Direct Loans Only
Taxable Cancellation Available?	NO	NO	NO	YES	YES	YES	YES

Income-Driven Repayment Plans - For Federal Loans only

• Basic parameters

- Taxable Cancellation on any remaining debt **
- Married filing separately tax status can be used
- Partial Financial Hardship must exist (calculated payment must be less than the monthly standard 10 year payment amount)

1) *Income-Based Repayment (IBR)*

- For borrowers with federal loans prior to 2007
- Monthly Payment is **15%** of discretionary income/payments over **25** years

2) *Pay As You Earn (PAYE)*

- For borrowers with no federal loans as of 10/1/2007 and Received a federal loan disbursement on or after 10/1/2011
- Monthly Payment is **10%** of discretionary income/payments over **20** years
- Direct loans only

Income-Driven Repayment Plans (continued)

New Income Driven Repayment Option

REPAYE (Revised Pay As You Earn)

- Direct loans only
- Monthly Payment is **10%** of discretionary income
- Repayment Period:
 - All Undergraduate Loans - **20** years
 - Mixture of Undergrad and Grad loans or all Grad Loans - **25** years
- Taxable Cancellation on any remaining debt **
- Partial Financial Hardship is not required
 - Payments not capped at the 10-year standard payment amount
- Provides a more generous interest benefit if your payment does not cover all the interest

If married, spouse's income must be used - joint income tax return must be filed; Cannot use "married filing separately" status

IBR & PAYE

Partial Financial Hardship (PFH)

\$2,590 / mo

>

**\$490 (IBR) or
\$320 (PAYE)**

Must have PFH to enter into IBR or PAYE

- Can remain in IBR or PAYE in subsequent years, even without a PFH
- Must submit annual documentation
- Max payment in IBR or PAYE is the Standard amount (determined when entering the plan)

Based on graduate indebtedness of \$200,000 with a PGY1 stipend of \$58,000 and a family size of one.

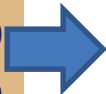
Income Driven Repayment Plans

Example of a PGY-1 Resident		
	In IBR	In PAYE
Monthly Adjusted Gross Income ¹	\$4,830	\$4,830
(minus) 150% of Poverty Line ²	- \$1,590	- \$1,590
Discretionary Income	= \$3,240	= \$3,240
(multiplied by) ³	× 15%	× 10%
Monthly Payment ⁴	\$490	\$320


1. Based on AAMC estimate for the 2020 first post-MD-year median stipend.
2. Based on AAMC estimate of 2020 federal poverty guideline for a family size of one in the 48 contiguous states.
3. Based on 2015 federal regulations.
4. Rounded to the nearest \$10.

Income-Based Repayment (IBR) Monthly Loan Payment

Annual AGI	Family Size						
	1	2	3	4	5	6	7
\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$20,000	\$47	\$0	\$0	\$0	\$0	\$0	\$0
\$25,000	\$109	\$39	\$0	\$0	\$0	\$0	\$0
\$30,000	\$172	\$102	\$32	\$0	\$0	\$0	\$0
\$35,000	\$234	\$164	\$94	\$24	\$0	\$0	\$0
\$40,000	\$297	\$227	\$157	\$87	\$16	\$0	\$0
\$45,000	\$359	\$289	\$219	\$149	\$79	\$10	\$0
\$50,000	\$422	\$352	\$282	\$212	\$141	\$71	\$0
\$55,000	\$484	\$414	\$344	\$274	\$204	\$134	\$64
\$60,000	\$547	\$477	\$407	\$337	\$266	\$196	\$126
\$65,000	\$609	\$539	\$469	\$399	\$329	\$259	\$189
\$70,000	\$672	\$602	\$532	\$462	\$391	\$321	\$251
\$75,000	\$734	\$664	\$594	\$524	\$454	\$384	\$314
\$80,000	\$797	\$727	\$657	\$587	\$516	\$446	\$376
\$85,000	\$859	\$789	\$719	\$649	\$579	\$509	\$439
\$90,000	\$922	\$852	\$782	\$712	\$641	\$571	\$501
\$95,000	\$984	\$914	\$844	\$774	\$704	\$634	\$564
\$100,000	\$1,047	\$977	\$907	\$837	\$766	\$696	\$626



**Pay as you Earn (PAYE) Repayment
Revised Pay as you Earn (REPAYE)
Approximate Monthly Payment Amount**

Annual Income (AGI)	Family Size				
	1	2	3	4	5
\$10,000	\$0	\$0	\$0	\$0	\$0
\$20,000	\$0	\$0	\$0	\$0	\$0
\$25,000	\$27	\$0	\$0	\$0	\$0
\$30,000	\$69	\$19	\$0	\$0	\$0
\$35,000	\$110	\$61	\$11	\$0	\$0
\$40,000	\$194	\$144	\$95	\$45	\$0
\$45,000	\$235	\$186	\$136	\$87	\$37
\$50,000	\$277	\$228	\$178	\$129	\$79
\$55,000 	\$319	\$269	\$220	\$170	\$121
\$60,000	\$360	\$311	\$261	\$212	\$162
\$65,000	\$402	\$353	\$303	\$254	\$204 ⁴¹

Repayment Estimator

www.studentaid.gov/repay

IBR

www.ibrinfo.org

PAYE

StudentAid.gov/PayAsYouEarn

The screenshot shows the 'Manage Loans' page on studentaid.gov. At the top, there is a navigation bar with the title 'Manage Loans' and a 'View My Account' button. Below this is a sub-header 'Understanding Student Loan Repayment' with a brief description: 'Learn about federal student loan repayment based on where you are in the process.' The main content area is divided into several cards, each representing a different stage of the student's journey:

- I'm Starting School or In School:** Includes links for 'Complete Entrance Counseling', 'Financial Awareness Counseling', 'Avoid TEACH Grant Conversion to Loan', 'Estimate Your Payments', and 'Manage Your Account'.
- I'm About to Graduate or Leave College:** Includes links for 'Complete Exit Counseling', 'Start Making Loan Payments', and 'Update Your Contact Info'.
- I Just Graduated or Left School:** Includes links for 'Find Your Loan Servicer', 'Understand Grace Period', 'Estimate Your Payments', 'Choose a Repayment Plan', and 'Start Making Loan Payments'.
- I'm in Repayment:** Includes links for 'Make Your Next Payment', 'Choose a Repayment Plan', 'Consolidate Your Loans', and 'Understand Loan Forgiveness'.
- I'm Falling Behind and Need Help:** Includes links for 'Lower Your Payments' and 'Get Temporary Relief'.

At the bottom right, there is a dark blue box titled 'GET OUT OF DEFAULT' with the text: 'If you've fallen behind on payments (typically 270 days) and entered default, understand your options.'

Two Options During Residency



Repayment Plans

Traditional

Monthly payments for the entire repayment term are calculated up-front and disclosed to you.

Traditional Plans

Standard Repayment

\$2,590/mo

Extended Repayment

\$1,500/mo

Graduated Repayment

\$1,200/mo

Monthly payments are based on your income and other factors - recalculated annually.

Repayment Plans *Income Driven*

Income-Driven Plans

Income-Contingent Repayment (ICR)



\$760/mo

Income-Based Repayment (IBR)*



\$490/mo

Pay As You Earn (PAYE)



\$320/mo

Revised Pay As You Earn (REPAYE)



\$320/mo

Based on an original balance of \$200,000, entering repayment after four years of medical school and six months of grace. ICR, IBR, PAYE, and REPAYE are based on a stipend of \$58,000. (Values are rounded to the nearest \$10.)

*Borrowers who possessed student loans before 07/01/2014 are eligible for only the original IBR plan modeled in this chart. If you had no outstanding student loans when you received your first Direct Loan on or after 07/01/2014, then you are considered a "new borrower" and are eligible for the new IBR plan, which mirrors the PAYE payment amounts.

Public Service Loan Forgiveness (PSLF)

- **Resources:**
- One servicer for PSLF - <https://myfedloan.org/>
 - Certification forms
<https://studentaid.gov/sites/default/files/public-service-employment-certification-form.pdf>
 - More info
 - <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>
 - Q&A
 - <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/questions>

10 Year Public Service Loan Forgiveness (PSLF)



- Must work for a non-profit organization under section 501(c)(3) of IRS code
 - includes most not-for-profit private schools, colleges, and universities.
- 120 payments made during a period of qualifying employment, and under qualifying plan
- Payments do not need to be consecutive
- Only Direct Loans qualify (consolidation may be necessary)
- After 120 qualifying payments, remaining balance can be forgiven **tax free**;
- **MyFedLoan is only federal servicer managing PSLF**

Pros and Cons of Public Service Loan Forgiveness Program

- Will federal funding be available in 10 years??
- Will you be required to make career decisions regarding where you work based on program??
- Will your plans change?
- Do you have the financial ability to make loan payments as a resident when payments and income are lowest for you??
- How much federal debt will remain for forgiveness after 10 years??
- Will you have more income potential over a lifetime in the private sector than what would be forgiven in this program working in a non-profit???

- **Federal Loan Consolidation**

Loan Consolidation

Consolidation of federal loans allows you to combine one or more existing federal student loans into a single loan. A consolidation loan pays off the old loans and gives you a single new loan with new terms, conditions, and a new interest rate. The advantages and disadvantages of consolidating depend on what loans you include in the consolidation and when you consolidate. To consolidate your federal student loans into a federal consolidation loan, visit studentloans.gov.

Advantages

- A single payment to a single servicer
- Possible lower monthly payment
- Extended repayment period
- No prepayment penalty
- Ability to change repayment plans
- Possible eligibility for PSLF
- Possible eligibility for an income-driven repayment plan
- Possible acceleration of repayment start date by forfeiture of grace time

Disadvantages

- Possibly longer repayment period resulting in higher interest costs
- Possible loss of current borrower benefits
- Possible disqualification of previously eligible PSLF payments
- Higher interest rate (interest rate is the weighted average of the loans rounded up to the nearest one-eighth of a percent)
- Possible negative effect on grace, deferment, or forgiveness options

Reasons to Consolidate

Why to consider consolidation:

1. Multiple servicers to repay (**convenience**)
2. To obtain Public Service Loan Forgiveness (DL) (**if consolidated, Perkins, LDS, and FFELP loans will become Direct Loans**)
3. To make Perkins or LDS loans eligible for IBR or PAYE and PSLF
4. To intentionally enter into repayment early if you choose

When to Consolidate

- If you consolidate before your grace period is exhausted, you will lose the remaining grace period. (Don't consolidate in June unless you *intentionally* want to enter repayment)
- Start consolidation 40-60 days prior to first payment
- Can be done online (debt from studentaid.gov is integrated)
- If consolidation is not complete before first payment is due, apply for forbearance on all loans included in the consolidation so no payment is necessary (don't make any payments after you have started the application).
- A repayment plan will be chosen at this time but entering repayment is not required; forbearance can be utilized
- More than likely, a new forbearance on the consolidated loan would need to be filed.

Refinancing Considerations (non federal lender)

If I refinance, should I include my federal Loans?

Questions/items to consider

1. What will be my interest rate be?
 1. How does it compare to my federal loan?
2. What will my repayment term be? 15? 25 years?
 1. How does this compare to my federal loan?
 2. Is the refinanced loan cancelled for Death/Permanent disability?
 3. Is an Income Driven Repayment (IDR) Plan available?
3. Considerations refinancing Private Loans only
 1. Beneficial if you have more than 1 lender
 2. Beneficial if you can get a longer repayment period?
 3. Beneficial if you can access a lower interest rate.

IMPORTANT DATES TO REMEMBER / QUICK REFERENCE CHART

	JUNE 1	JUNE 15	NOVEMBER 15	MARCH 15	APRIL 1
2020 and 2021	2020		2021		
	<p><u>If you do not intend to enter repayment</u> - File Federal Stafford Loan forbearance form only if the grace period on prior loans were used in their entirety before coming to SKMC or while at SKMC via consolidation. (Due to new federal regulation - Economic Hardship deferment is no longer available after July 1, 2009)</p> <p>Grad PLUS borrowers- file forbearance form</p>	<p>*Intentionally Blank*</p>	<p><u>If you do not intend to enter repayment</u> - File Federal Stafford Loan forbearance form for loans where the 6 month grace period existed at graduation from Jefferson OR ensure you are prepared to repay your loans after grace period ends in Nov/Dec/Jan (check with servicer for specific date)</p>	<p>File applicable Federal Perkins Loan forbearance form if not entering repayment or if Perkins is not consolidated</p>	<p>Repayment is scheduled to begin on all unconsolidated Federal Perkins Loans</p>
2021 and 2022	2021		2022		
	<p><u>If you do not intend to enter repayment</u>, File Federal Stafford Loan forbearance form for loans that entered repayment immediately at graduation from SKMC (Due to new federal regulation - Economic Hardship deferment is no longer available after July 1, 2009)</p> <p>Grad PLUS borrowers- file forbearance form</p>	<p>File deferment forms with the TJU Student Loan Office for Primary Care Loan (PCL), Health Professions Student Loan (HPSL), Loans for Disadvantaged Students (LDS), Sled-Cunnison Loan, Robert Wood Johnson Loan, and /or Wayland Loan</p>	<p>If not in repayment, File Federal Stafford Loan forbearance form for loans that entered repayment 6 months after graduation from Jefferson</p>	<p>File applicable Federal Perkins Loan forbearance form if not entering repayment or if Perkins is not consolidated</p>	<p>Repayment is scheduled to begin on all unconsolidated Federal Perkins Loans</p>
2022 and 2023	2022		2023		
	<p><u>If you do not intend to enter repayment</u>, File Federal Stafford Loan forbearance form for loans that entered repayment immediately at graduation from SKMC (Due to new federal regulation - Economic Hardship deferment is no longer available after July 1, 2009)</p> <p>Grad PLUS borrowers- file forbearance form</p>	<p>File deferment forms with the TJU Student Loan Office for Primary Care Loan (PCL), Health Professions Student Loan (HPSL), Loans for Disadvantaged Students (LDS), Sled-Cunnison Loan, Robert Wood Johnson Loan, and /or Wayland Loan</p>	<p>If not in repayment, File Federal Stafford Loan forbearance form for loans that entered repayment 6 months after graduation from Jefferson</p>	<p>File applicable Federal Perkins Loan forbearance form if not entering repayment or if Perkins is not consolidated</p>	<p>Repayment is scheduled to begin on all unconsolidated Federal Perkins Loans</p>

*** REMINDER: IF YOU CHOOSE TO ENTER INTO AN INCOME DRIVEN REPAYMENT PLAN, YOU MUST UPDATE YOUR INCOME INFORMATION ANNUALLY BY DEADLINE DATE GIVEN BY YOUR SERVICER***

Dates To Remember- What to do and when to do it!

Create your own timeline

- Grace periods relate to each individual loan borrowed.
- Repayment will begin immediately on consolidated loans and loans for which the grace period has been used. (check with servicer for exact date).
 - If you used the **full** 6 month Grace period on a loan or group of loans (e.g., between college and TJU, leave of absence) you do not get another grace period on these loans
 - If no consolidation or if loan was never in repayment, 6 month grace period still exists.
- Federal Grad PLUS loans have no grace period
 - check with servicer to confirm options such as immediate forbearance or **ALIGNMENT** of loan with your federal direct loan.
- FILE FOR FORBEARANCE 2 - 4 WEEKS BEFORE REPAYMENT DUE DATE – Standard form is usually necessary

Repayment Hierarchy

Do you have the ability to make voluntary or extra payments?

- You can **prepay** your federal student loans with no penalty
- Review all of your debt - include credit cards, car loans etc.
- Calculate which is the most expensive using interest rate, repayment terms etc.
- Start making voluntary/extra payments to the most expensive first
- Perkins/institutional loans - cheapest during 1st year while interest is subsidized

Loan repayment programs

- Military
- NHSC
- Pennsylvania
- Delaware
- NIH
- Other - see AAMC resource at http://services.aamc.org/fed_loan_pub

IMPORTANT TO REMEMBER!!!!

Don't default – don't ignore your debt - After 270 days late, servicer assumes you will not pay

- Reported to credit bureaus
- No more eligibility for federal student aid
- Loan immediately due and payable in full
- Lose eligibility for repayment plans and deferment or forbearance options
- Collection agencies
- Administrative wage garnishment
- Garnish tax refunds

School can withhold records - Professional Licenses are pulled in a growing number of states

Keep all your servicers updated as to phone numbers, address, change in residency status

Call your servicer if you need help

Call Financial Aid Office – we are here to help for as long as you need it

To Do

Contact all of your loan Servicers REQUIRED!

- 45 days before or after your last date of enrollment
- Confirm
 1. That you are no longer enrolled
 2. repayment amount/amount owed
 3. Grace period:
 - Start date
 - End date
 - when first payment is due!!!
 4. when Forbearance form should be submitted(for Stafford and Grad PLUS)
- When calling, keep log of date, time, phone #, and who you spoke to
- Update your address

Resource: AAMC Handling Your Finances During Residency

- <https://students-residents.aamc.org/training-residency-fellowship/managing-your-medical-career/handling-finances-during-residency/>

Handling Finances During Residency

These resources can help you manage your student loan debt and determine which loan repayment option is best for you during residency. Find additional FIRST resources, including videos, fact sheets, and articles on the Financial Aid page.

Next Steps

Use this guideline to determine when to take the steps to organize your loans, deal with your grace period, determine when to consolidate, apply for a forbearance, or begin repayment on your student loans.

Download



Repayment Assistance Through Forgiveness, Scholarships, or Service

Interested in a service career, or want to reduce your medical school debt by working in public service or the military? Good news—there are numerous possibilities available.

Learn More



Public Service Loan Forgiveness (PSLF)

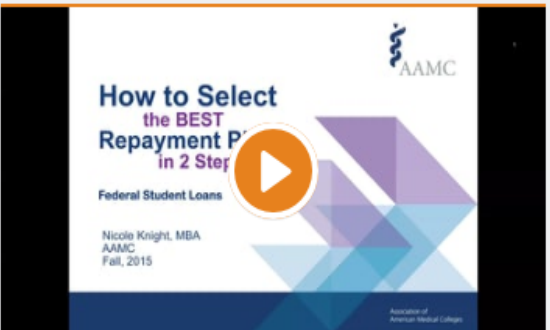
Public Service Loan Forgiveness (PSLF) ebook

Learn about the Public Service Loan Forgiveness (PSLF) program with this ebook that explains eligibility requirements and the steps you will need to take to participate in the program.

Download





Loan Repayment Options



How to Select the Best Repayment Plan in 2 Steps

Watch this video to learn about the various loan repayment options and a two-step plan to determine the best repayment plan for you.

Summary

- Reconcile your records  Financial Aid Office records
-  servicers records
- Contact your servicers to update address/phone number etc.
- Find out when:
 1. the grace period starts and ends
 2. when first payment is due
 3. ask when to file your forbearance request or request for repayment plan. **DON'T SUBMIT FORBEARANCE FORMS TOO EARLY!**
- Make schedule and submit all paperwork when necessary **or** be prepared to make a payment by due date if not forbearing.
- Have your finances in order before residency begins. Know what you have!
- Ask questions.

Contact information:

If you have questions, contact me!

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