



Managing Your Student Loans



SPRING 2010

- 2009-10 Graduates Budget Appeal Form is available at:

<http://www.law.berkeley.edu/193.htm>

- Request Graduate Plus Loan at:

financial-aid@law.berkeley.edu



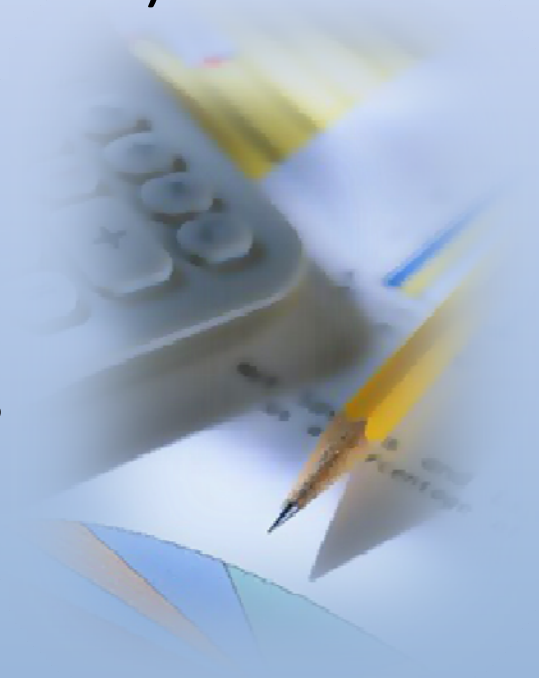
SPRING 2010

- Loan amount: \$4,200.
- Repayment begins January 1, 2012
- To be repaid within 2.5 years
- 8% fixed interest rate
- Co-signer required
- Application deadline is July 31, 2010
- <http://www.law.berkeley.edu/193.htm>



YOUR STUDENT LOANS

- National Student Loan Data System (NSLDS)
- Identify your Loans
- Evaluating Federal Consolidation
- Federal Loan Payment Relief Programs



National Student Loan Data System (NSLDS)

U.S. Department of Education's central database for student aid

- https://www.nsls.ed.gov/nsls_SA/SaFinLoginPage.do
Financial Aid Review - get your federal loan information
- <https://pin.ed.gov/PINWebApp/PINServlet?state=100>
Request a duplicate PIN
- <http://studentaid.ed.gov/> or email: studentaid@ed.gov
Official home page for the federal student aid programs – repaying your loans

Direct Loan Servicing

- www.dl.ed.gov
Direct Loan Servicing Center at 1-800-848-0979

Private Loan Information

- <https://www.annualcreditreport.com/cra/index.jsp>
Check for private student loans, which will not appear in the National Student Loan Data System

Identifying Your Loans

Loan Type	Interest Rate	Grace Period	IBR	Public Service Loan Forgiveness -Eligible
DIRECT Stafford subsidized	6.8%	6 months	yes	yes
DIRECT Stafford unsubsidized	6.8%	6 months	yes	yes
DIRECT Grad PLUS	7.9%	optional*	yes	yes
<u>Perkins</u>	5%	9 months	no**	no**
Private	variable	various by lender	No	no
UC Bar Study Loan	8%	19 months	No	no
Private Bar Study Loan	variable	various by lender	No	no
Other Loans: (<u>FFEL</u> , State, Non-profit, etc.)		various by lender	FFEL only	no FFEL**

***Request grace period and/or forbearance**

****Qualify for PSLF if consolidated with Direct Lending**

- **Why should I consolidate?**

- Lock in your current variable interest rate
ONLY if you still have variable rate loans from undergrad or pre-Boalt.
- Administrative Simplicity or Loan Forgiveness (*FFEL & Perkins loans*)
Public Service Loan Forgiveness program requires Direct Loan payments.
If you have **multiple lenders for your federal loans**, this could be valuable but **no monetary savings**.

Under the Public Service Loan Forgiveness a **consolidation loan** is considered a new loan, and therefore **will re-start the 10-year clock**.

Should I consolidate with a private lender?

- **Private Consolidation**

- Interest rates have **increased** dramatically
- Minimum credit requirement have tightened
- All private loans have a **variable** interest rate that may change every three months
- Deferment is NOT available
- **Lender optional forbearance** may only be available if borrower demonstrates a hardship
- maximum time limit of 12 months

- **FFEL Consolidation**

- Interest rates have **increased** dramatically
- Minimum credit requirement have tightened

A private or FFEL consolidation loan **does not qualify for Public Service Loan Forgiveness**. If you consider consolidating with a private lender, please carefully compare and research all details.

FEDERAL LOANS

Deferment

- no payments, and **government pays interest** on subsidized loans
- Maximum time limit: 36 months
- Must reapply: every 6 months

Economic Hardship Deferment (EHD)

- Based solely on income, amount of debt no longer a factor at lender's discretion

Unemployment Hardship Deferment

- Must be seeking full-time employment
- Be registered with a private or public employment agency

Forbearance

- No subsidy savings
 - at lender's discretion
- .

FEDERAL LOANS

Income Based Repayment Plan (IBR) – New program effective 7/1/2009

- Must qualify
- Limits payments to 15% of discretionary income
- Subsidized interest not covered by reduced payment is paid by the government
- Subsidy limited to first 3 years of participation
- After 25 years remaining debt forgiven remains a taxable income

Extended Repayment Plans

- Unconsolidated debt must be at least \$30,000
- Consolidation loans start at \$7,500

IBR vs. Extended Repayment

- Example: \$120,000 total debt – \$820 monthly payments for 30 years
-with an AGI of \$80,000 your IBR payments will be approximately \$795

Please schedule an appointment for an individual assessment of your student loan portfolio and repayment options.

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