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

  Financial Aid Review - get your federal loan information

- [https://pin.ed.gov/PINWebApp/PINServlet?state=100](https://pin.ed.gov/PINWebApp/PINServlet?state=100)
  Request a duplicate PIN

  or email: studentaid@ed.gov
  Official home page for the federal student aid programs – repaying your loans

Direct Loan Servicing

- [www.dl.ed.gov](http://www.dl.ed.gov)
  Direct Loan Servicing Center at 1-800-848-0979

Private Loan Information

- [https://www.annualcreditreport.com/cra/index.jsp](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

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

*Request grace period and/or forbearance

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

• 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
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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