

MCGEORGE SCHOOL OF LAW

**Exit
Counseling**

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

FEDERAL DIRECT UNSUBSIDIZED STAFFORD

- 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

INTEREST RATES

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%.

INTEREST RATES

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%.

THE GRACE PERIOD

- **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 ends

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

Debt	Repayment Terms	5.84% Interest Rate		6.84% Interest Rate	
		Monthly Payment	Total Paid	Monthly Payment	Total Paid
\$100,000	10 Years	\$1,114	133,690	\$1,205	\$144,547
	25 Years	\$641	\$192,421	\$728	\$218,355
	30 Years	\$596	\$214,442	\$684	\$246,218
\$150,000	10 Years	\$1,671	\$200,535	\$1,807	\$216,820
	25 Years	\$962	\$288,633	\$1,092	\$327,528
	30 Years	\$894	\$321,657	\$1026	\$369,332
\$200,000	10 Years	\$2,228	\$267,381	\$2,409	\$289,093
	25 Years	\$1,283	\$384,845	\$1,456	\$436,706
	30 Years	\$1,191	\$428,878	\$1,368	\$492,445

Debt	Repayment Terms	6.21% Interest Rate		7.21% Interest Rate	
		Monthly Payment	Total Paid	Monthly Payment	Total Paid
\$100,000	10 Years	\$1,133	\$135,951	\$1,224	\$146,933
	25 Years	\$644	\$199,296	\$753	\$225,749
	30 Years	\$620	\$223,116	\$710	\$255,563
\$150,000	10 Years	\$1,699	\$203,926	\$1,837	\$220,399
	25 Years	\$996	\$298,945	\$1,129	\$338,624
	30 Years	\$930	\$334,673	\$1,065	\$383,348
\$200,000	10 Years	\$2,266	\$271,902	\$2,449	\$293,866
	25 Years	\$1,329	\$398,593	\$1,505	\$451,498
	30 Years	\$1,240	\$446,231	\$1,420	\$511,134

LOAN REPAYMENT OPTION EXAMPLES

Debt	Repayment	5.41% Interest Rate		6.41% Interest Rate	
	Terms	Monthly	Total Paid	Monthly	Total Paid
\$100,000	10 Years	\$1,092	\$131,073	\$1,181	\$141,664
	25 Years	\$615	\$184,556	\$699	\$209,693
	30 Years	\$568	\$204,524	\$654	\$235,310
\$150,000	10 Years	\$1,638	\$196,610	\$1,771	\$212,497
	25 Years	\$923	\$276,831	\$1,048	\$314,540
	30 Years	\$852	\$306,785	\$980	\$352,965
\$200,000	10 Years	\$2,185	\$262,146	\$2,361	\$283,329
	25 Years	\$1,230	\$369,109	\$1,398	\$419,387
	30 Years	\$1,136	\$409,047	\$1,307	\$470,620

Ford Direct Stafford and Graduate PLUS Examples

<i>Debt</i>	6.8% Interest Rate		7.9 % Interest Rate	
	<i>Monthly Payment</i>	<i>Total Paid</i>	<i>Monthly Payment</i>	<i>Total Paid</i>
\$10,000	\$115	\$13,810	\$124	\$14,868
\$60,000	\$690	\$82,858	\$744	\$89,206
\$75,000	\$863	\$103,572	\$929	\$111,508
\$100,000	\$1,151	\$138,096	\$1,239	\$148,677
\$125,000	\$1,439	\$172,620	\$1,549	\$185,846
\$150,000	\$1,726	\$207,145	\$1,858	\$223,015
\$175,000	\$2,014	\$241,669	\$2,168	\$260,184
\$200,000	\$2,302	\$276,193	\$2,478	\$297,353

Assumptions: - 10 - year repayment period (120 Months)
 - No payment incentives

Consolidation & Extended Repayment Example

<i>Debt</i>	8.25% Interest Rate 30-year repayment period Maximum term for Federal Consolidation		8.25% Interest Rate 25-year repayment period	
	<i>Monthly Payment</i>	<i>Total Paid</i>	<i>Monthly Payment</i>	<i>Total Paid</i>
	\$10,000	\$225	\$81,137	\$237
\$60,000	\$451	\$162,274	\$473	\$141,921
\$75,000	\$563	\$202,842	\$591	\$177,401
\$100,000	\$751	\$270,456	\$788	\$236,535
\$125,000	\$939	\$338,070	\$986	\$295,669
\$150,000	\$1,127	\$405,684	\$1,183	\$354,803
\$175,000	\$1,315	\$473,298	\$1,380	\$413,936
\$200,000	\$1,503	\$540,912	\$1,577	\$473,070

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**

LOAN CONSOLIDATION

- 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

www.ombudsman.ed.gov

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

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McGeorge School of Law

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Financial Aid Office
3200 Fifth Avenue
Sacramento, CA 95817
Phone 916.739.7158 Fax 916.739.7162
finaid@pacific.edu

QUESTIONS???

- **CONGRATULATIONS AND
GOOD LUCK WITH THE BAR
EXAM!!!!**