

# Repayment Management Options:

## Ways to make your loan payments more affordable

### Repayment Plans

As part of our commitment to you, we offer multiple repayment plans, which include: Standard, Graduated, Income-Sensitive, Income-Based and Extended Repayment.

- **Standard Repayment** establishes a schedule of equal payments over the life of the loan.
- **Graduated Repayment** allows you to begin repaying your loan at a lower payment amount than normal. Every two years, your payment amount will increase until the balance of the loan is repaid within the maximum repayment term applicable to your loan. Overall, you will pay more in interest, but your initial payments are lower than the Standard Repayment plan.
- **Income-Sensitive Repayment** allows your monthly payment amount to be adjusted annually to reflect changes in your income, based on your gross monthly income. This option must be requested on an annual basis and may be used for a maximum of five years at which time your account(s) will convert to a standard or graduated repayment plan.
- **Income-Based Repayment** is for borrowers who experience a partial financial hardship (as explained below). Under this plan, your required monthly payment amount is determined by your adjusted gross income and the poverty level associated with your family size and state of residence. If your total annual student loan payments are greater than 15% of the difference between your AGI and 150% of the poverty level applicable to you, you are considered to be experiencing a partial financial hardship and are eligible for the Income-Based Repayment plan.

*Example:* For 2016, 150% of the poverty level for a family of 1 living in Texas is \$17,820. A borrower with an AGI of \$40,000 would have a partial hardship if his/her annual student loan payments were greater than \$3,327, or \$277 per month (\$3,327 is 15% of the result from subtracting \$17,820 from \$40,000).

The maximum repayment period under this plan may exceed 10 years. If after 25 years of qualifying payments your student loan balance is not paid in full, your remaining balance will be forgiven. The Income-Based Repayment plan is not available for Parent PLUS loans, Consolidation loan(s) that repaid any Parent PLUS loan or any defaulted loan(s).

- **Extended Repayment** allows you to extend your standard or graduated repayment plan for up to 25 years. This plan is only available to borrowers whose federal loan(s) were disbursed on or after October 7, 1998, and who have an outstanding balance of principal and interest totaling more than \$30,000. *If you are thinking consolidating your federal loan(s), you may want to compare the overall benefits alongside those of Extended Repayment - it may be a better option for you!*

If you would like to request a new repayment plan, go online to <https://portal.studentloan.org> to complete the "Repayment Options" form under the *Forms* section. You may also call us at 844-219-4139, Monday - Friday between 8:00 a.m. - 6:00 p.m. CT to discuss your options.

Note: The payment amount for any of these repayment options may be adjusted to reflect annual changes in variable interest rates or to account for capitalized interest. Repaying your loans under any plan other than Standard Repayment may result in you paying more interest over the repayment period.

# Repayment Management Options:

## Ways your loan payments can be postponed

### Deferment & Forbearance

Deferments and forbearances are periods of time, in which you can postpone your loan repayment due to certain circumstances. These periods of time do not count toward the length of time you have to repay your loan(s).

During a **deferment** you are not required to make any payments. Accrued interest on unsubsidized Stafford or Parent/Grad PLUS loans will be capitalized at the end of the deferment period unless it is paid prior to the deferment end date; interest for subsidized Stafford loans will be paid by the government.

Stafford loan borrowers are not required to make any payments while enrolled at least half-time and receive a 6-month grace period prior to repayment. If you are still enrolled at an eligible institution at least half-time, contact us so that we can obtain updated enrollment information and place your loan(s) in an in-school deferment.

Grad PLUS borrowers whose loan(s) are disbursed on or after 7/1/2006 will automatically be placed in a deferment once their loan has been fully disbursed. Grad PLUS borrowers whose loan(s) are disbursed on or after 7/1/2008 will also receive a 6-month deferment extension after they graduate or drop below half-time status.

Parent PLUS loan borrowers whose loan(s) are first disbursed on or after 7/1/2008 may request that these loans be deferred while the parent or their student is enrolled at least half-time and for 6 months after such enrollment ends.

Other deferment options include economic hardship, military service during a war or other national emergency or unemployment (contact us for additional deferments that may apply).

**Forbearance** may be granted for a specified period of time if you cannot meet your monthly payments (normally up to 12 months at a time, for a maximum six years). If forbearance is agreed upon, the loan holder or servicer has the option to either postpone or reduce your monthly payments. Interest on all loan types will continue to accrue. If you do not pay the interest, it will be capitalized and added to your loan balance.

If you would like to request a deferment or forbearance, log into your online account at <https://portal.studentloan.org> to complete the appropriate Deferment or Forbearance form under the *Forms* section. You may also call us at 844-219-4139, Monday - Friday between 8:00 a.m. - 6:00 p.m. CT to discuss your options.

## Additional Loan Information & Options

### Repayment Assistance or Advice Offered By Others

You may obtain information on repayment options, assistance and advice from the Department of Education Office of the Ombudsman at <http://www.ombudsman.ed.gov/>. In addition, you may contact non-profit debt-counseling and advocate services for repayment assistance and advice. Under certain circumstances, military personnel may have their loan(s) repaid by the Secretary of Defense. You should address any questions you have to the local service recruiter. This is a recruiting program and generally does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces.

### Loan Discharge/Forgiveness

Your loan will be discharged (forgiven) when (i) acceptable documentation of your death is given to your lender, (ii) you cannot complete a course of study because your school closes, (iii) your school falsely certifies your loan eligibility, (iv) a loan in your name was falsely certified as a result of a crime of identity theft, or (v) you become totally and permanently disabled and meet certain other requirements. Your loan may also be discharged up to the amount of any refund that your school should have made, but did not send to your lender. Your loan will not automatically be discharged in bankruptcy. You may also qualify for Teacher Loan Forgiveness for teaching in certain designated areas or fields.

### Direct Loan Consolidation Options

You may consolidate your FFELP loans into the Direct Loan Program to take advantage of other repayment options available under the Direct Loan program. The public service loan forgiveness program provides for the cancellation of the remaining balance due on eligible Direct Loan Program loans after you have made 120 payments (after October 1, 2007) on those Direct Loans under certain repayment plans while you are employed in certain public service jobs. You may also consolidate your FFELP loans first disbursed on or after October 1, 2008 (including Federal Consolidation Loans that repaid FFELP or Direct Loan Program loans first disbursed on or after October 1, 2008) into the Direct Loan Program to take advantage of the no accrual of interest benefit for active duty service members. No interest will be charged on the portion of a Direct Consolidation Loan that repaid FFELP or Direct Loan Program loans first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).