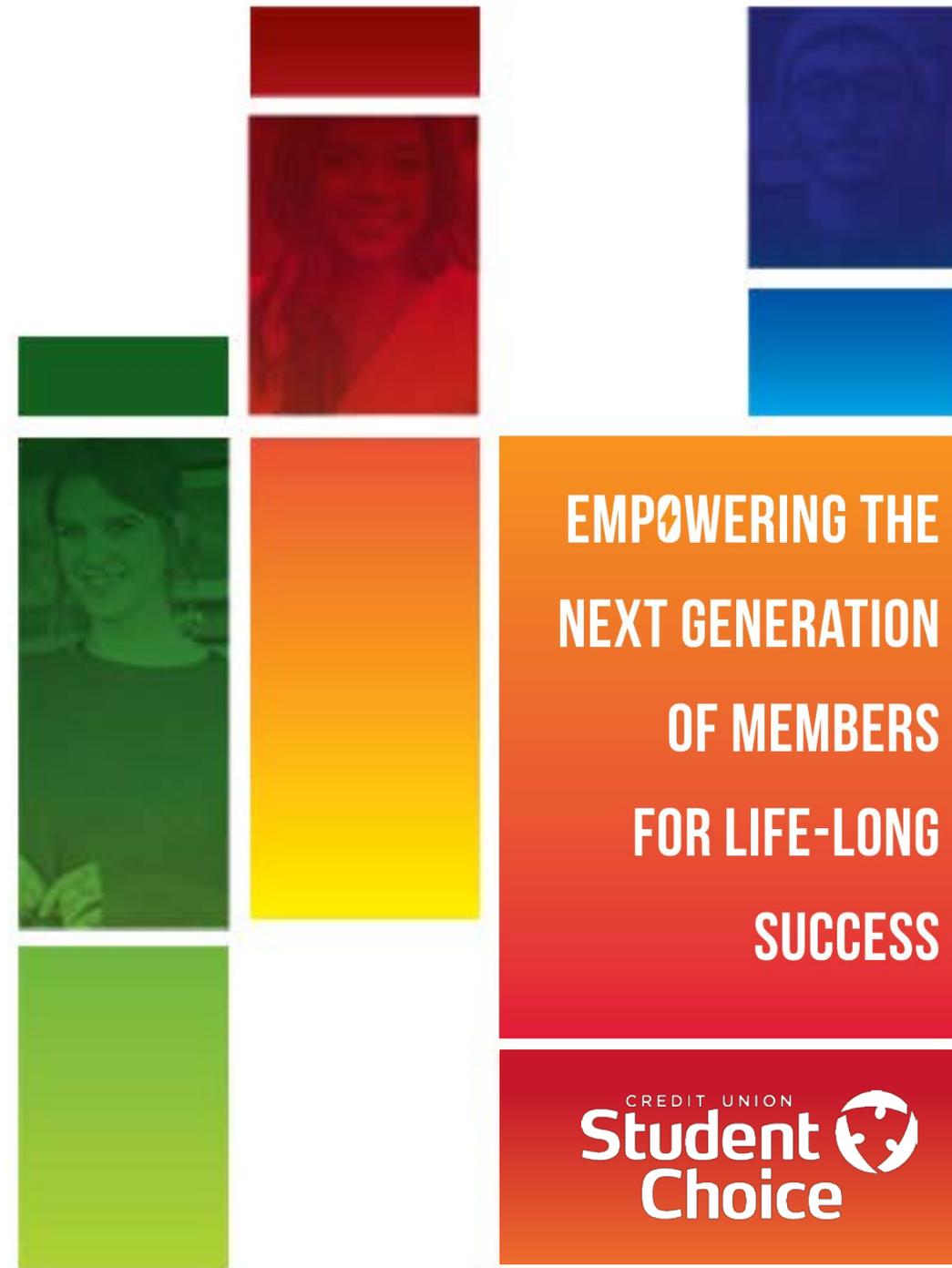


Student Loans: The Time has Arrived

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College Access and Repayment Counselor
Credit Union Student Choice





Discussion Topics

- Options – federal and private student loans
- Choosing a private student lender
- Borrower eligibility requirements
- Student loan application process and timeline
- Manage student loans before graduation

Federal Direct Loan for Undergraduate and Graduate Students

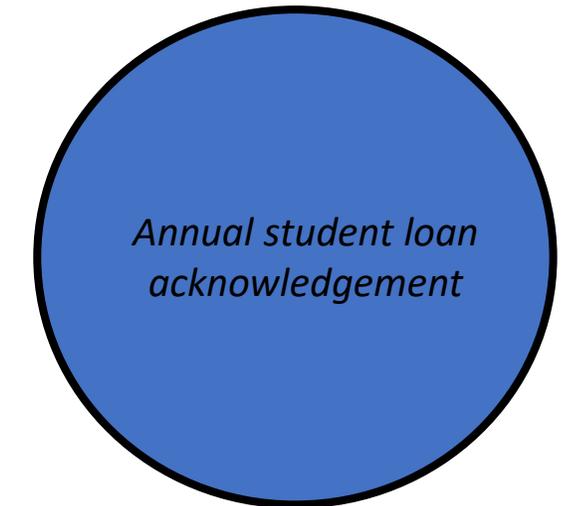
- Free Application for Federal Student Aid (FAFSA) required
- US Government is the lender
- Student's loan – no co-signer – no credit check
- Undergraduate annual limits: freshman \$5500, sophomore \$6500, junior and senior \$7500
- Subsidized vs. unsubsidized (subsidized not available for graduate students)
- Undergraduate interest rate and fee: 2.75% fixed – fee 1.059%*
- Graduate limits: \$20,500, medical \$40,500
- Graduate interest rate and fee: 4.3% - fee 1.059%*
- In-school repayment
 - Full deferral – interest only payments – immediate repayments
 - Repayment begins six months after graduation, student drops below half-time status or separates from school
- 10 year repayment term with additional repayment options
- Benefits – deferment, repayment, forgiveness, discharge, consolidation and refinance options

*Entrance
counseling Exam
and Annual
student loan
acknowledgement*

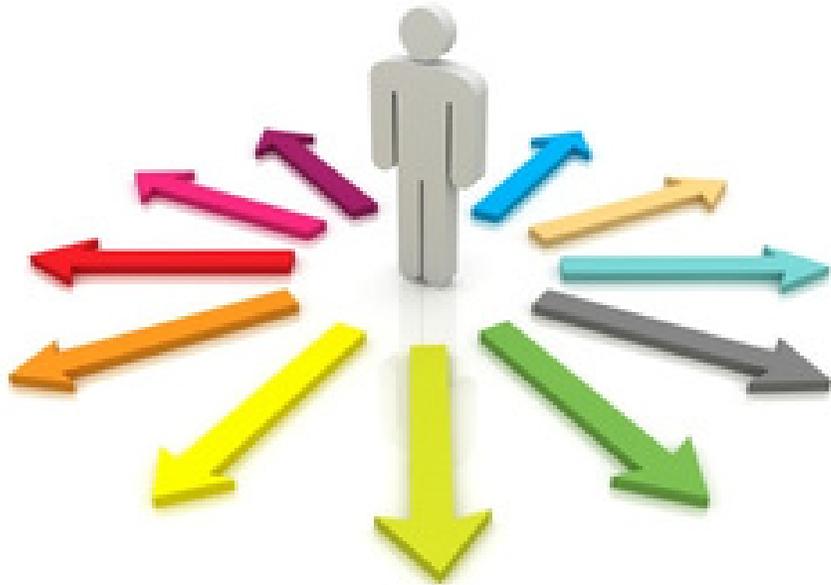
****Interest rates good until June 30, 2021 and fees good until October 1, 2020***
studentaid.gov

Federal Direct PLUS Loan

- Free Application for Federal Student Aid (FAFSA) required
- Parent of undergraduate student or the graduate student
- Unsubsidized
- Fixed interest rate: 07/01/2020 – 06/30/2021 – 5.3%
- Origination fee: 10/01/2019 -09/30/2020 – 4.236%
- Annual limit: cost of attendance minus financial aid
- Full deferral of payment until six months after graduation, student drops below half-time status or separates from school
- 10 year standard repayment term
 - Graduated, extended and income-based options
- Loan forgiveness, deferment, forbearance and consolidation options



studentaid.gov



Private/Alternative Student Loans

- Borrower selects lender
- Student's loan and may require a co-signer
- Free Application for Federal Student Aid (FAFSA) recommended but not required
- Fixed and variable interest rates
- Unsubsidized
- Annual limit: cost of attendance minus financial aid
- Full deferral of payment until six months after graduation, student drops below half-time status or separates from school
- Repayment term determined by lender: 15 - 25 years
- Benefits determined by lender
- Refinance options

Choosing a Private Student Loan Lender

The search -

- Credit Union
- Local financial institution
- Schools private lender list

What to ask –

- Interest rate and Fees
- Repayment terms
- Application process
- Member service
- Benefits



Eligibility Requirements

Federal

- Visit studentaid.gov for details
- US Citizen or eligible non-citizen
- Have a valid social security number*
- Be registered with selective service if you are male
- Enrolled in an eligible degree or certificate program
- Enrolled at least half-time
- Maintain satisfactory academic progress (SAP)
- Have a high school diploma or general education diploma (GED)
- Credit requirements for PLUS loan

**with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau*

Private

- Determined by lender
- US Citizen, permanent residents and international borrowers
- Have a valid social security number*
- Enrolled in an eligible degree or certificate program
- Enrolled at least half-time
- Maintain satisfactory academic progress (SAP)
- Have a high school diploma or general education diploma (GED)
- Credit requirements: income, job and credit history

**lenders offering loans to international borrowers may not require a social security number*

Application Process and Timeline - Federal

- Complete the FAFSA
 - Online 3 - 5 business days
 - Follow-up with school if selected for FAFSA verification
- School will package financial aid awards (student loans)
 - 5 – 9 business days
- Follow schools process for federal student loans
 - Federal direct undergraduate and graduate – accept or decline if necessary
 - Parent/Graduate PLUS – complete loan request form if necessary
- studentaid.gov
 - Borrowers will need FSA ID and password to log in
 - First time federal loan borrowers will complete entrance counseling and acknowledgement
 - Borrower will complete master promissory note (MPN)
- Loan is certified and disbursement dates set
 - 5 – 7 business days
 - Students may log into school account to view this information
- Loan funds disbursed to school
 - Refunds – set up direct deposit or refund will be mailed
 - Allow 3 – 4 business days for school to process disbursement and send refund

21 – 28 Business Days with FAFSA
7 – 14 Business Days without FAFSA



Application Process and Timeline - Private

- Complete the FAFSA
 - Not required – only recommended
- Select a private student loan lender
 - 1 – 2 business days
- Complete the lenders online loan application
 - If approved, follow lenders application process
 - Send required supporting documents
 - 7 – 10 business days
- Certification process
 - When application is final approved, lender sends certification request to school
 - School reviews certification request, certifies and sends disbursement dates to lender
 - 7 – 14 business days (depends on each individual school)
- Loan funds disbursed to school
 - Refunds – set up direct deposit or refund will be mailed
 - Allow 3 – 4 business days for school to process disbursement and send refund



Manage Student Loans

- **Student Loan Terms**
 - Interest rate – fixed or variable
 - Repayment terms
 - In-school
 - After graduation
- **Student Loan Servicer**
 - Manage account online
 - Review monthly statements



Thank you for attending!!

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Please contact us with any additional questions:
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<http://www.studentchoice.org/college-access-counselor>