

## PREPARATION FOR REPAYMENT (under construction)

### **TIPS:**

- File Taxes as a 2L and 3L so that tax information can be used to determine the IBR payment
- Meet with Jeff Hanson in October or February for one-on-one counseling to review your individual circumstances and create a repayment strategy. October 6 – 10. Online appointments approximately 2 weeks prior.

### **APPROXIMATE TIMELINE TO REPAYMENT:**

#### **2L:**

##### **APRIL: File Federal Tax Form Reporting Prior Year Income**

\*File a federal tax return, regardless of your total income earned: The “Income-Driven Repayment Plan Request” you will complete post- graduation, will ask if you filed a return in either of the two most recently completed tax years.

#### **3L:**

##### **APRIL: File Federal Tax Form Reporting 2014 Income**

##### **MAY: (post-graduation) Consider Consolidation & Review Payment Plan Options**

\*Log-in to [http://www.nslds.ed.gov/nslds\\_SA/](http://www.nslds.ed.gov/nslds_SA/) to view your federal student loan portfolio. This online resource stores a lot of information about your student loans. This information includes whether or not the loan is a Direct Loan, the name and contact information of the servicer, and the interest rate on each loan.

\*If all your loans are in the Direct Loan Program, there is no benefit to consolidate. Your Perkins loans can be consolidated separately into the Direct Loan Program.

\*If you have multiple loan servicers, consolidation is a good idea. You have the opportunity to bring together previously consolidated loans using the same low interest rates you had when they were first consolidated, along with any non-consolidated FFEL loans. To begin the consolidation process go to [www.studentloans.gov](http://www.studentloans.gov), log in, and select “Direct Loan Consolidation Application” under the “Tools and Resources” tab. When completing the online consolidation process you will have the opportunity to select your loan servicer; select **FedLoan Servicing (FLS)**, the designated servicer for Public Service Loan Forgiveness.

##### **May: (post-graduation) Exit Counseling & Selecting an Income Driven Repayment Plan (IDR = PAYE or IBR)**

\*You will select your repayment plan when completing the exit counseling. Go to [www.StudentLoans.gov](http://www.StudentLoans.gov) Log in. Select “Complete Counseling”, and then “Exit Counseling”. Given you will be pursuing the PSLF, you must select an income-driven repayment (IDR) plan. Only PAYE and IBR qualify for PICAP. You SHOULD select PAYE because this option will provide the lowest possible payment. The servicer will mail you the IDR information. Upon receipt, submit your application, using the previous year’s filed Federal Tax Forms to verify your income. The servicer will not process the documentation until the end of your grace period (November).

**August/September: (post bar exam) Submit Employment Certification Form (ECF) to Fed Loan Servicing**

\*Once you begin working full-time complete the ECF and submit it to Fed Loan Servicing.

For those borrowers who did not consolidate and who are not currently serviced by Fed Loan Servicing this form will initiate the transfer of your loans to FLS. If FLS is already your loan servicer the ECF will signal your intent to apply for Public Service Loan Forgiveness (PSLF). FLS will begin tracking your employment and qualifying payments toward PSLF.

FLS has been assigned responsibility for administering PSLF for all Direct Loan borrowers. For this reason it is a PICAP requirement that IDR/PSLF PICAP participants be serviced by FLS.

**December/January: (post-graduation & bar exam) IDR Loan Payment Schedule is Established & First IDR Payment Is Due**

\*Upon approval into an IDR repayment plan, your servicer will establish a 12 month loan payment schedule. The first payment due date, using a grace period end date in November, will be either December or January. Income as a student in the prior year should garner a zero payment schedule for an entire year.

**January: (post-graduation & bar exam) Consolidate Perkins Loans into Direct Loan Program**

\*Graduates who leave school in May have a 9 month grace period, which ends in January of the following year. Servicers recommend the borrower consolidate their Perkins' loans separately to take full advantage of the grace period benefit. Consolidating your Perkins loans into the Direct Loan program ensures the payment can be considered for PICAP, as well as PSLF.

**YEAR 1 REPAYMENT**

**December/January: Recertify IDR with the prior year Federal Tax Form**

\*90 days prior to the expiration of your IDR loan payment schedule, you will provide FLS with an updated "Income-Driven Repayment Plan Request" (the servicer will mail you notification of renewal requirement), including proof of income, using your prior year tax returns. Given your income as a 2L & 3L student, you should be eligible for another IDR zero payment schedule for an additional year.

**YEAR 2 REPAYMENT**

**December/January: Recertify IDR with the prior Federal tax Form**

\*90 days prior to the expiration of your IDR loan payment schedule, you will provide FLS with an updated "Income-Driven Repayment Plan Request", including proof of income, using your prior year tax return. With an estimated \$35,000 in income, your payment under PAYE is estimated to be \$146.00 and under IBR \$219.00 (assuming total debt of approximately \$129,000). Please note amounts will vary given your level of indebtedness, and the specific mix of your loans. Under the current guidelines PICAP will advance 70% of this amount, less any debt outside of UCH (if applicable).

## LINKS TO KEY WEB SITES

### Repayment Calculators

Finaid.org

Calculators: <http://www.finaid.org/calculators/>

IBR 15% calculator: <http://www.finaid.org/calculators/ibr.phtml>

IBR 10% calculator (PAYE): <http://www.finaid.org/calculators/ibr10.phtml>

Department of Education

Studentloans.gov

<https://studentloans.gov/myDirectLoan/index.action>

Studentaid.ed.gov

<https://studentaid.ed.gov/repay-loans/understand/plans/#direct-and-ffel>

Repayment Estimator:

<https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>