

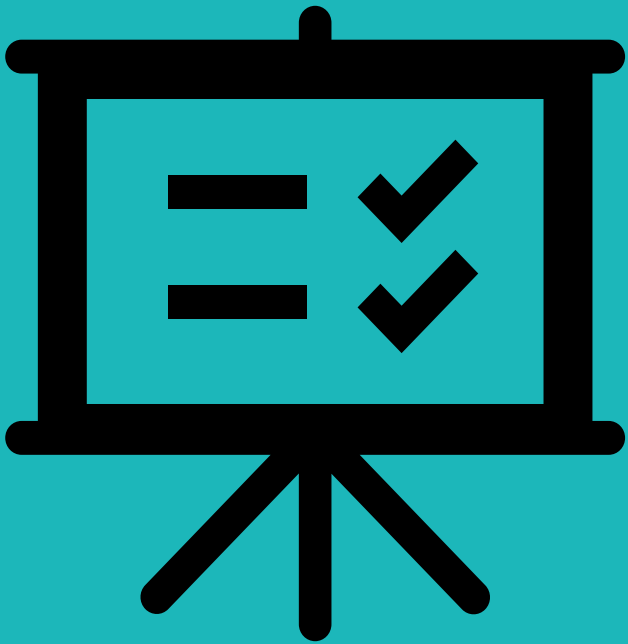
Exit Loan Counseling



Geisinger
College of
Health Sciences

Agenda

- What you need to know about federal and private loans as you graduate
- Status of repayment plans for Federal Direct Loans
- Who do I pay and where do I find my loan portfolio?
- Deferment and Forbearance
- Public Service Loan Forgiveness(PSLF) and other forgiveness options
- Resources

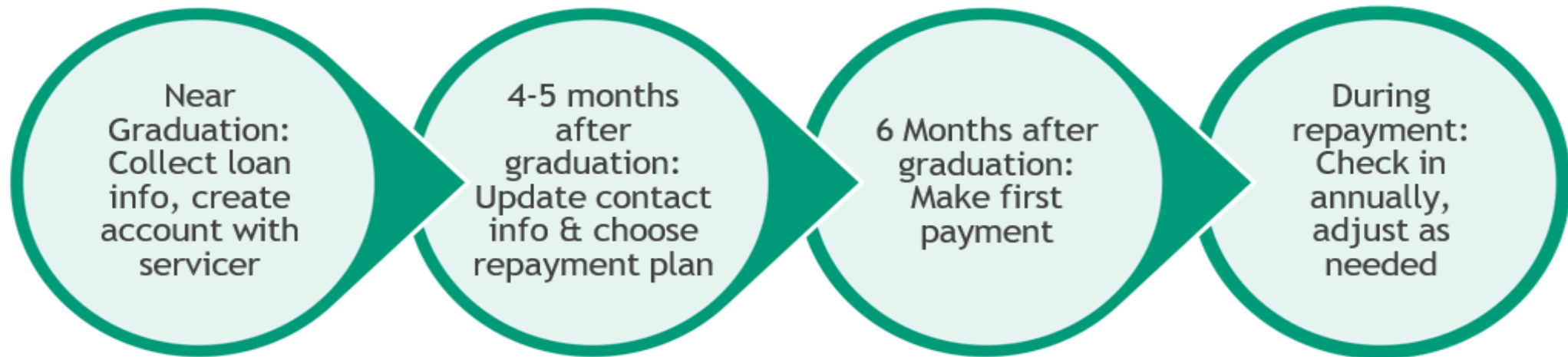


Purpose

- It's a federal and state regulation for all students in their final academic term or drop to less than half-time.
- Explains your rights and responsibilities of borrowing on a Federal Student Loan
- Offers repayment strategies



Loan Repayment Timeline



How Do I Find Out More About My Loans?

➤ Review your annual loan notification that includes a summary of your financial aid loan portfolio that financial aid sends out yearly.

➤ Studentaid.gov

- ✓ to view your Federal Loan information
- ✓ find out who your loan servicer(s) is

➤ If you borrowed on private loans, you need to contact that lender separately

➤ Create an account with your loan servicer

- ✓ Shows estimated Repayment Date
- ✓ Interest Accrual
- ✓ Loan Debt borrowed to date



Who Do You Pay?

Federal Loans (loan servicer)



Private Loans

Students should work with the lender from which they borrowed the loan



Payments may be made directly to lender or to a servicing organization

www.studentaid.gov

Federal Loans

- Complete Federal Exit Counseling
- Select a Repayment Plan
- Apply for Loan Consolidation
- Loan Repayment Calculator
- Public Service Loan Forgiveness Tool



Federal Loan Repayment Plans*



- Review your annual loan notification that includes a summary of your financial aid loan portfolio that financial aid sends out yearly.
- Studentaid.gov
 - ✓ to view your Federal Loan information
 - ✓ find out who your loan servicer(s) is
- If you borrowed on private loans, you need to contact that lender separately
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*Applies to loans entering repayment after July 1, 2026

Pick the Best Plan for You

Traditional Plans

Standard – payment stays the same	Up to 10 years to pay
Graduated – payment starts small and increases	Up to 10 years to pay
Extended – payment stays the same	Up to 25 years to pay

Income- Driven Plans

Repayment Assistance Program (RAP) 1%-10% of Adjusted Gross Income (AGI)	Up to 30 years to pay
Income Based (IBR) – 10%-15% of discretionary income	Up to 20 years to pay

New Tiered Standard Repayment Plan

Years to Repay Loans	Debt at Time of Repayment
10	Less than \$25,000
15	\$25,000-\$49,000
20	\$50,000-\$99,000
25	\$100,000 or more

Income Based Repayment Plan

Loans borrowed prior to July 1, 2014, payment is 15% of discretionary income

10% of discretionary income (for loans borrowed on or after July 1, 2014 but before July 1, 2026.

Up to 20 years

Qualifies for PSLF

May include spouse's income

Annual income certification

Interest subsidy on subsidized loans only for the first 3 years.

Repayment Assistance Plan (RAP)

Adjusted Gross Income (AGI)	Monthly Payment Calculation	Monthly Payment Range	Average Monthly Payment
\$50,000-\$59,000	5% of AGI divided by 12	\$210-\$350	\$230
\$60,000-\$69,000	6% of AGI divided by 12	\$300-\$350	\$330
\$70,000-\$79,000	7% of AGI divided by 12	\$410-\$460	\$440
\$80,000-\$89,000	8% of AGI divided by 12	\$530-\$590	\$570
\$90,000 - \$99,000	9% of AGI divided by 12	\$570-\$610	\$590

***Most PGY-1 stipends are currently in \$60K to \$70K range**

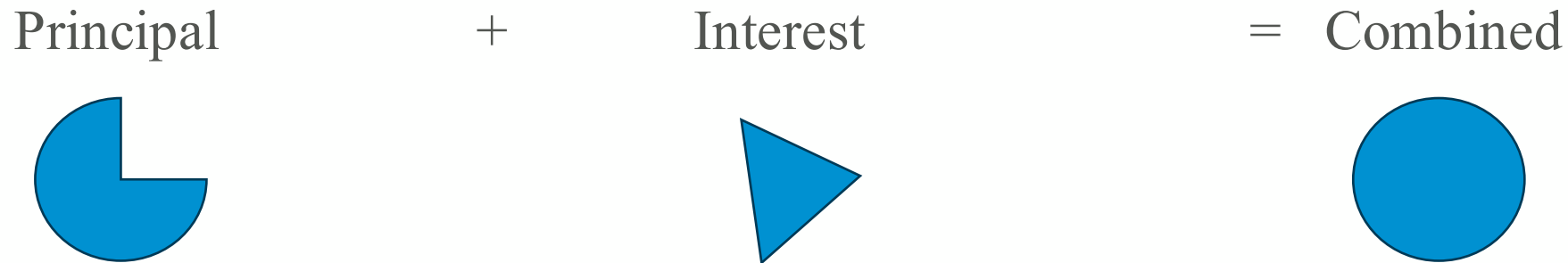
***RAP Reduced by \$50 for each dependent; Minimum monthly payment of \$10**

Repayment Assistance Plan (RAP)

- Even the lowest income borrower must pay at least \$10 per month under this plan. RAP also cancels any unpaid interest each month, so balances can not grow if you make your required payments.
- RAP subtracts \$50 per dependent from your base monthly payment. If your payment doesn't fully cover the accrued interest, that interest is waived and up to \$50 of your payment is applied directly to principal, thereby reducing your balance each month.
- Any balance remaining after 30 years (360 payments) will be forgiven

What is Capitalization?

- Interest accrual while in school or forbearance ends
- The unpaid interest is added to your principal loan balance
 - ✓ After your grace period
 - ✓ a deferment or forbearance period ends.



What is a Deferment vs. Forbearance?



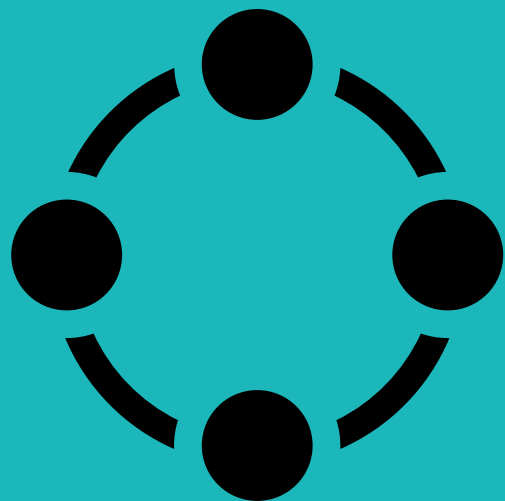
➤ Deferment

- ✓ Allows you to postpone monthly payments on your student loans
- ✓ SUBSIDIZED loans will not accrue interest,
- ✓ UNSUBSIDIZED loans will accrue interest
- ✓ You must apply directly to your loan servicer
- ✓ Usually granted in 6-month period installments

➤ Forbearance

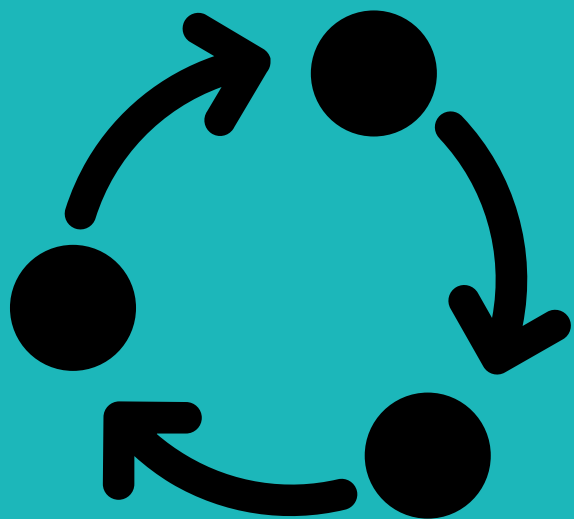
- ✓ Pauses loan payments for up to 1 year
- ✓ Interest will continue to accrue

When Can A Borrower Get a Deferment?



- Undergoing Cancer Treatment
- Experiencing economic hardship
- Enrolled in school at least half-time or in a graduate fellowship program
- Performing qualifying military service or a post-active-duty service member
- Current Parent PLUS borrower with student enrolled in school
- Enrolled in a rehabilitation program
- Unemployed

When Can A Borrower Get a Forbearance?



- Experiencing financial difficulties
- Serving in AmeriCorps or National Guard
- Performing service that qualifies for partial loan forgiveness through the U.S. Department of Defense
- Working in a medical or dental internship/residency
- Having a student loan payment that are high in comparison to income

Is it the right time to consider loan consolidation?



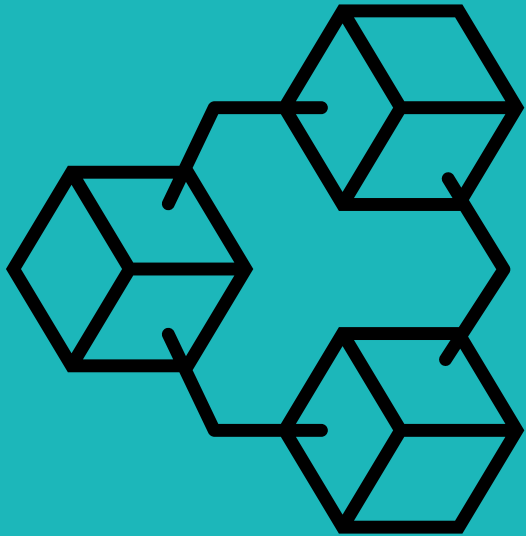
- Plan on enrolling in college in the near future
 - ✓ You may want to hold off on loan consolidation at this time
- If you are not returning to college, and
 - ✓ Have multiple loan servicers
 - ✓ Are you considering work in a public service
 - ✓ Would you benefit from a lower payment

If you answer yes to the above questions, then it is the right time to consider loan consolidation.

Direct Consolidation Loans

A federal loan where borrowers combine one or more federal student loans into a new Direct Consolidation Loan for the purpose of possibly lowering their monthly payment amount, gaining access to a particular repayment plan or loan forgiveness program.

***loans consolidated after July 1, 2026, must enter the Repayment Assistance Plan or New Standard Plan**



Reasons to Consolidate

- Do you have multiple servicers?
- Do you want to enroll in an Income Driven Repayment plan and start repayment before your 6- month grace period is over?
- Do you have loans that aren't currently eligible for IDR Plans? or Public Service Loan Forgiveness?

Private Refinance vs. Federal Consolidation

Private Refinance

Combine **private** and federal payments into one payment

Possibly **lower interest rate** and/or payments

Interest is based on your (or your co-signer's) creditworthiness with **choice** of fixed or variable rate

Current interest rates and/or loan term can **lower** the overall cost of the loan

Pays off existing loans and may reflect a **lower monthly payment** on your credit report

You should **compare rates** and terms and apply with the lender of your choice

Federal Consolidation

Combine **federal** payments into one payment

Possibly **lower monthly payment** with longer loan term

The interest rate is the **weighted average of included loans**, rounded up to the nearest 1/8th of a percent

You will **pay more interest** over the life of the loan if the repayment period is extended

Borrowers **may lose** some benefits offered with the original loan

Apply for a direct consolidation loan at <https://studentaid.gov>

Loan Forgiveness and Discharge

Loan forgiveness releases borrower from all or a portion of loan obligation

Direct Loan Forgiveness and Discharge options may exist under certain conditions:

- School related Discharge (School Closing, Fraud, ID Theft, False Certification)
- Public Service Loan Forgiveness
- Bankruptcy
- Cases of total and permanent disability or death

To verify loan forgiveness options for federal loans, visit <https://studentaid.ed.gov/sa/repay-loans>

Private Loan Forgiveness options may exist under certain conditions:

- Cases of total and permanent disability or death

To verify loan forgiveness options for private loans, please contact your lender or servicer



What is Public Service Loan Forgiveness (PSLF)?

Forgives the remaining balance on Federal Direct Loans

To **qualify** for PSLF borrowers must:

- ✓ Be employed by a government organization , 501©(3) not for profit organization or other not-for-profit organizations providing specific qualifying services
- ✓ Working full time for that qualifying employer
- ✓ Repay the loans under a qualified repayment plan
- ✓ Make 120 qualifying payments

Borrowers should submit the PSLF Employer Certification Form found at www.studentaid.gov



Where to get assistance?



Federal Student Aid
Feedback System - send
a compliment or a
complaint, suggest
website improvements,
report suspicious activity
<https://studentaid.gov/feedback-center>

Federal Student Aid
Ombudsman Group - a
neutral, informal, and
confidential resource to
help resolve disputes
about federal student
aid

Postal Mail or Phone
U.S. Department of Education
FSA Ombudsman Group
P.O. Box 1854
Monticello, KY 42633
Phone
1-877-557-2575

Consumer Financial
Protection Bureau -
report unfair, deceptive
or abusive acts or
practices, submit
consumer complaints
<https://www.consumerfinance.gov/>

One on One Counseling Session



- Review Federal Student Loan Debt
- Discuss Private Loan (if applicable)
- Loan Repayment
- Repayment Options
- Forbearance/ Deferment Options
- Review details of Exit Counseling on a 1:1 basis

Resources

Student Loan Calculator

<https://studentaid.gov/loan-simulator/>

Pennsylvania Higher Education Assistance Agency (PHEAA)

www.pheaa.org

Federal Student Aid:

www.studentaid.gov

PSLF Help Tool:

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>

PSLF Information and Forms:

https://myfedloan.org/borrowers/special_programs/pslf



GCHS Financial Aid Contact Information



Phone: (570) 504-9641 Scranton
(717) 242-7206 Lewistown

financialaid@geisinger.edu

Thank you



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