MANAGE YOUR STUDENT LOANS
A guide for Undergraduate Advisors

• WHAT STUDENTS SHOULD EXPECT WHEN BORROWING
  • MPN & Entrance Counseling
  • Loan Types, Fees, & Interest Rates
  • Refunds and Enrollment

• STUDENT LOAN MANAGEMENT
  • Monitor student loan debt
  • Make payments while in school

• STUDENT LOAN REPAYMENT BASICS
  • Step-By-Step Start Repaying
  • Repayment Plan Overview

Office of Student Financial Aid, Federal Direct & Private Loans
Individual Repayment Counseling offered by appointment (phone or in-person)
608-262-4987, directloans@finaid.wisc.edu, finaid.wisc.edu/direct-loans.htm
WHAT TO EXPECT

www.studentloans.gov

- Master Promissory Note (MPN)
- Entrance Counseling

These forms need to be done once in the student’s academic career unless there is a 12 month break in borrowing. Then another MPN will be required.
NEED-BASED VS. NON NEED-BASED

NEED-BASED LOAN
• Awarded based on income information on the FAFSA
• Does not accrue interest while in school
• Typically a lower interest rate

NON NEED-BASED LOAN
• Entitlement loan based on remaining budget
• Accrues interest while in school
• Higher interest rate
BORROW WHAT YOU MUST

Only borrow WHAT YOU HAVE TO

• Students should know they do not have to borrow everything they are offered
  • Reduce your loan in your MYUW student center after it is accepted.

• Refund checks can be returned
  • The student should contact the Federal Direct & Private Loan Office to reduce the loan and return the refund check or a personal check to the Bursars office.

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DROPPING CLASSES

Falling below ½ time enrollment

• Automatically enter grace period followed by repayment.
• Students run into this problem when they decrease enrollment for a semester.
• By graduation the grace period is used up, and the student goes into repayment.
• Interest starts accruing on need-based loans during the grace period in some cases.

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WHAT TO EXPECT

NEED-BASED LOANS

▪ Institutional Loans & Perkins Loans
  • Origination Fee: 0%
  • Interest Rate: 5% fixed
  • Interest Accrual: No accrual while enrolled half-time or higher or while in grace
  • Monitor Balances: ECSI.net
  • Grace Period: 9 months after dropping below ½ enrollment.

▪ Federal Direct Subsidized loans (UGRDs)
  • Origination Fee: 1%
  • Interest Rate: 6.8% fixed
  • Interest Accrual: No accrual while enrolled half-time or higher.
  • Monitor Balances: NSLDS.ed.gov
  • Grace Period: 6 months after dropping below ½ enrollment.

NON NEED-BASED LOANS

▪ Federal Direct Unsubsidized Loans
  • Origination Fee: 1%
  • Interest Rate: 6.8% fixed
  • Interest Accrual: Accrues throughout the life of the loan. Pay the interest so it doesn’t increase debt.
  • Monitor Balances: NSLDS.ed.gov
  • Grace Period: 6 months after dropping below ½ enrollment.

▪ Private Student Loans
  • Origination Fee, Interest Rate, & Grace Period: Depends on loan product.
  • Interest Accrual: Accrues throughout the life of the loan. Pay on the interest so your debt does not increase.
  • Monitor Balances: On lender’s website (annualcreditreport.com if lender is unknown)
LOAN MANAGEMENT
Monitor balances and make interest payments!

NEED-BASED LOANS
- Institutional Loans & Perkins Loans
  - Monitor Balances: ECSI.net
  - Exit Counseling: ECSI.net
  - Repayment/Servicer: UW-Madison, but pay at ECSI.net
  - Lender: UW-Madison

- Federal Direct Subsidized loans
  - Monitor Balances: NSLDS.ed.gov to find federal servicer.
  - Exit Counseling: NSLDS.ed.gov
  - Repayment/Servicer: Federal contract hired by the Department of Education
  - Lender: Department of Education

NON NEED-BASED LOANS
- Federal Direct Unsubsidized Loans
  - Monitor Balances: NSLDS.ed.gov to find federal servicer.
  - Exit Counseling: NSLDS.ed.gov
  - Repayment/Servicer: Federal contract hired by the Department of Education
  - Lender: Department of Education

- Private Student Loans
  - Monitor Balances: on lender’s website
  - Repayment/Servicer: Private lender, pay on lender’s website.

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REPAYMENT BASICS

1. Monitor balances while in school and keep track of who your servicer(s) are at www.nslds.ed.gov

2. Register for online bill pay capability on your servicer’s websites.

3. Choose a repayment plan for each of your loans on your servicer’s websites.

4. Setup auto-debit after choosing your repayment plan - 0.25% decrease in monthly interest accrual for federal loans.

5. Trouble making payments? Change repayment plans!

Federal Servicers

Aspire Resources Inc.
888/902-6077
www.AspireResourcesInc.com

CornerStone
877/336-7397
www.MyCornerStoneLoan.org

ACS
888/877-7658
www.myedaccount.com/schools

EdManage
800/470-5961
www.EdManage.MyEdLoan.com

ESA/Edfinancial
855/845-1001
www.edfinancial.com/DLSchools

FedLoan Servicing (PHEAA)
800/655-3813
www.myfedloan.org

Granite State – G S M R
800/303-8353
www.gsmr.org

Great Lakes Ed Loan Services, Inc.
888/686-6919
www.mygreatlakes.org

KSA Servicing
877/292-5227
www.ksa.myedloan.com

MOHELA
888/866-4353
www.mohela.com/schools

Nelnet
866/463-5638
www.nelnetloanservicing.com

OSLA Servicing
866/264-9762
www.osla.org

Sallie Mae
888/272-4665
www.SallieMae.com/EDServicing

VSAC Federal Loans
888/307-8722
www.VSACFederalLoans.org

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<th>Monthly Payment and Time Frame</th>
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| **Standard Repayment Plan** | • Direct Subsidized and Unsubsidized Loans  
• Subsidized and Unsubsidized Federal Stafford Loans  
• all PLUS loans | Payments are a fixed amount of at least $50 per month.  
Up to 10 years |
| **Graduated Repayment Plan** | • Direct Subsidized and Unsubsidized Loans  
• Subsidized and Unsubsidized Federal Stafford Loans  
• all PLUS loans | Payments are lower at first and then increase, usually every two years.  
Up to 10 years |
| **Extended Repayment Plan** | • Direct Subsidized and Unsubsidized Loans  
• Subsidized and Unsubsidized Federal Stafford Loans  
• all PLUS loans | Payments may be fixed or graduated.  
Up to 25 years |

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# REPAYMENT PLANS

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| **Income-Based Repayment Plan (IBR)** | - Direct Subsidized and Unsubsidized Loans  
- Subsidized and Unsubsidized Federal Stafford Loans  
- all PLUS loans made to students  
- **Consolidation Loans** (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents | - Your maximum monthly payments will be 15 percent of **discretionary income**, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply).  
- Your payments change as your income changes.  
Up to 25 years |

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| Pay As You Earn Repayment Plan                      | • Direct Subsidized and Unsubsidized Loans  
• Direct PLUS loans made to students  
• Direct Consolidation Loans that do not include (Direct or FFEL) PLUS loans made to parents | • Your maximum monthly payments will be 10 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply).  
• Your payments change as your income changes.  
Up to 20 years |

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<tr>
<td><strong>Income-Contingent Repayment Plan</strong></td>
<td>• Direct Subsidized and Unsubsidized Loans</td>
<td>• Payments are calculated each year and are based on your adjusted gross income, family size, and the total amount of your Direct Loans.</td>
</tr>
<tr>
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<td>• Direct PLUS Loans made to students</td>
<td>• Your payments change as your income changes. Up to 25 years</td>
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<tr>
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<td>• Direct Consolidation Loans</td>
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</tr>
<tr>
<td><strong>Income-Sensitive Repayment Plan</strong></td>
<td>• Subsidized and Unsubsidized Federal Stafford Loans</td>
<td>• Your monthly payment is based on annual income.</td>
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<tr>
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<td>• FFEL PLUS Loans</td>
<td>• Your payments change as your income changes. Up to 10 years</td>
</tr>
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<td></td>
<td>• FFEL Consolidation Loans</td>
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Questions?

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