



WISCONSIN

UNIVERSITY OF WISCONSIN-MADISON

OFFICE OF STUDENT FINANCIAL AID

MANAGE YOUR STUDENT LOANS

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

Welcome to StudentLoans.gov

Option(s) Updated Successfully

Before you begin, verify that your personal information is up to date.

The personal information displayed is based on the information returned from the Federal Student Aid PIN Web site. If any of the information is incorrect, you must correct it at the Federal Student Aid PIN Web site.

Once you have confirmed your information, select what you would like to do:

- » Complete Entrance Counseling
- » Complete Master Promissory Note
- » Request a Direct PLUS Loan
- » Complete Financial Awareness Counseling
- » Endorse a Direct PLUS Loan
- » Complete IBR/Pay As You Earn/ICR Repayment Plan Request
- » Co-sign IBR/Pay As You Earn/ICR Repayment Plan Request
- » I am not sure (we will ask you a series of questions to direct you)

The screenshot shows the StudentLoans.gov website. At the top, there is a navigation bar with links for 'My Account', 'Learn More', 'Tools and Resources', 'Managing Repayment', 'FAQs', and 'Contact Us'. The main content area is divided into several sections:

- Manage My Direct Loan:** Includes a 'Sign In' button and a list of actions: Entrance Counseling, Sign Master Promissory Note, Complete PLUS Request Process, Financial Awareness Counseling, Endorse Direct PLUS Loan, and IBR/Pay As You Earn/ICR Repayment Plan Request.
- Learn More:** Includes links for 'Find Information about Student Aid Programs', 'Recent Changes to the Student Aid Programs', 'Direct Loan Overview', 'What you Need for Direct Loans', 'What to Expect for Direct Loans', and 'Glossary'.
- Tools and Resources:** Includes links for 'Apply for PIN', 'FAFSA', 'Financial Awareness Counseling', 'Exit Counseling', 'Direct Loan Consolidation', and 'My Financial Aid History'.
- Managing Repayment:** Includes links for 'Repaying Your Loans', 'Repayment Plans & Calculators', 'Trouble Making Payments?', 'Loan Discharge', 'Public Service Loan Forgiveness', 'Teacher Loan Forgiveness', and 'Loan Servicers'.

There is also a large banner image of four students sitting together, with the text: 'This site is your source for information from the U.S. Department of Education about how to manage your student loans.'

- 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.



DROPPING CLASSES

Falling below ½ time enrollment

- Automatically enter grace period followed by repayment.
- Students runs 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)

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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 – GSMR

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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REPAYMENT PLANS

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame
<u>Standard Repayment Plan</u>	<ul style="list-style-type: none"> • Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans 	<p>Payments are a fixed amount of at least \$50 per month.</p> <p>Up to 10 years</p>
<u>Graduated Repayment Plan</u>	<ul style="list-style-type: none"> • Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans 	<p>Payments are lower at first and then increase, usually every two years.</p> <p>Up to 10 years</p>
<u>Extended Repayment Plan</u>	<ul style="list-style-type: none"> • Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans 	<p>Payments may be fixed or graduated.</p> <p>Up to 25 years</p>



REPAYMENT PLANS

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame
Income-Based Repayment Plan (IBR)	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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. <p>Up to 25 years</p>



REPAYMENT PLANS

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame
Pay As You Earn Repayment Plan	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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. <p>Up to 20 years</p>



REPAYMENT PLANS

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame
Income-Contingent Repayment Plan	<ul style="list-style-type: none"> • Direct Subsidized and Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans 	<ul style="list-style-type: none"> • Payments are calculated each year and are based on your adjusted gross income, family size, and the total amount of your Direct Loans. • Your payments change as your income changes. <p>Up to 25 years</p>
Income-Sensitive Repayment Plan	<ul style="list-style-type: none"> • Subsidized and Unsubsidized Federal Stafford Loans • FFEL PLUS Loans • FFEL Consolidation Loans 	<ul style="list-style-type: none"> • Your monthly payment is based on annual income. • Your payments change as your income changes. <p>Up to 10 years</p>



Questions?

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