

What to Expect After Graduation!

Financial aid staff:
Ayman Nassir, Allison
Molesworth, and Matt
Cataneese



Agenda

- ▶ Exit Loan Counseling
- ▶ Private loans
- ▶ How do I find my loan servicer information in order to start re-payment?
- ▶ How to calculate estimated re-payment amount
- ▶ Interest on your federal loans
- ▶ Re-payment
- ▶ Federal re-payment plans



Exit Loan Counseling


- ▶ You must complete **exit counseling** when you leave school or drop below half-time enrollment. **The** purpose of **exit counseling** is to ensure you understand your **student loan** obligations and are prepared for repayment.
- ▶ Per federal regulations CCS is required to notify your lender of your graduated or if you drop below half time.
- ▶ <https://studentaid.gov/exit-counseling/>

An infographic titled "EXIT COUNSELING" in large green letters. Below the title, it says "Some schools have their own exit counseling. Check with your school to be sure." To the right, under "WHAT DO I NEED?", it lists three requirements: "FSA ID" (with a small icon), "FSA ID username and password", "Details on your income, financial aid, and living expenses" (with a piggy bank icon), and "Contact information for two references." (with a person and email icon). At the bottom left, under "WHO SHOULD COMPLETE THIS?", it says "Exit counseling is mandatory for students who have borrowed federal student loans." At the bottom right, under "HOW LONG WILL IT TAKE?", it says "It takes about 20-30 minutes to complete on [StudentLoans.gov](https://studentloans.gov)". The background of the infographic shows a person's hands typing on a laptop keyboard.

EXIT COUNSELING

Some schools have their own exit counseling. Check with your school to be sure.

WHAT DO I NEED?

-  FSA ID username and password
-  Details on your income, financial aid, and living expenses
-  Contact information for two references.

WHO SHOULD COMPLETE THIS?

Exit counseling is mandatory for students who have borrowed federal student loans.

HOW LONG WILL IT TAKE?

It takes about 20-30 minutes to complete on [StudentLoans.gov](https://studentloans.gov)



Private Loans

- ▶ Postponement options : Reach out to your lender to find more information about options for postponing or lowering your loan payments.
- ▶ Repayment plans: You should check with your lender to find out about your repayment options.
- ▶ Prepayment penalties : You need to make sure there are no prepayment penalty fees if you decide to pay off your loan early.



How can I figure out my estimated monthly payment?

- ▶ **How do I find my loan servicer information in order to start re-payment?**
- ▶ To find out who your **loan** servicer , call **the** Federal **Student** Aid **Information** Center (FSAIC) at 1-800-433-3243
- ▶ **OR visit the following link**

<https://studentaid.gov/manage-loans/repayment/servicers>

To find out what your estimated monthly payment will look like please visit the following link

- ▶ <https://finaid.org/calculators/loanpayments/>
- ▶ **Do I have to pay back my student loan in a certain time?**
- ▶ After graduation, students are automatically enrolled in the standard re-payment plan which is 10 years or 120 monthly payments. Your lender will communicate with you once payments begin, please be mindful of any communication between you and your lender.



Re-payment

Can I pay back my student loan all at once?

- ▶ The short answer to paying back your loan in one payment is yes, you can if you want to. The long answer is that it may not be the best use of your money, unless you have no other debts and are a high earner paying high interest.

When does interest start accruing on my federal loans?

- ▶ Even though you may not start paying off your loan for 6 months after graduating, interest is charged on unsubsidized loans from the first disbursement made toward your account.
- ▶ **Grace period and when it ends (Federal student loans have a 6 month grace period before starting re-payment**

You are given a grace period of 6 months which gives you time to start your job and get financially situated before making payments.

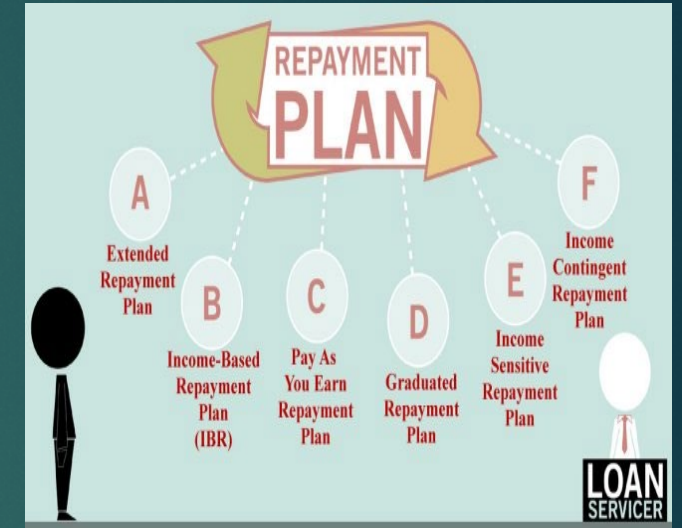


What are the different types of Federal re-payment plans

- ▶ **Standard Repayment Plan**
- ▶ **Graduated Repayment Plan**
- ▶ **Extended Repayment Plan**
- ▶ **Revised Pay As You Earn Repayment Plan (REPAYE)**
- ▶ **Income-Based Repayment Plan (IBR)**
- ▶ **Income-Contingent Repayment Plan (ICR)**

All students are defaulted to the standard re-payment plan

If you are unable to meet the standard re-payment plan requirements, you will need to contact your lender directly to discuss other options you may be eligible for*



Which Federal repayment plan works best with your budget

Standard Repayment Plan

- ▶ All borrowers are eligible for this plan. Payments are a fixed amount that ensures your loans are paid off within 10 years

Graduated Repayment Plan

- ▶ All borrowers are eligible for this plan. Payments are lower at first and then increase, usually every two years, and are for an amount that will ensure your loans are paid off within 10 years



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Revised Pay As You Earn Repayment Plan (REPAYE)

- ▶ Any Direct Loan borrower with an eligible loan type may choose this plan.
- ▶ Your monthly payments will be 10 percent of discretionary income.
- ▶ Payments are recalculated each year and are based on your updated income and family size.
- ▶ You must update your income and family size each year, even if they haven't changed.

Income-Based Repayment Plan (IBR)

- ▶ You must have a high debt relative to your income.
- ▶ Your monthly payments will be either 10 or 15 percent of discretionary income
- ▶ Payments are recalculated each year and are based on your updated income and family size.
- ▶ You must update your income and family size each year, even if they haven't changed.



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Income-Contingent Repayment Plan (ICR)

- ▶ Any Direct Loan borrower with an eligible loan type may choose this plan.
- ▶ Your monthly payment will be the lesser of
- ▶ 20 percent of discretionary income, or
- ▶ the amount you would pay on a repayment plan with a fixed payment over 12 years, adjusted according to your income.

Extended Repayment Plan

- ▶ If you're a Direct Loan borrower, you must have more than \$30,000 in outstanding Direct Loans. Payments may be fixed or graduated, and will ensure that your loans are paid off within 25 years



Follow up Questions

- ▶ College for Creative Studies, 201 E. Kirby, Detroit MI 48202
- ▶ Phone (313)664-7495
- ▶ Fax (313) 664-7499
- ▶ finaid@collegeforcreativestudies.edu





Graduation is not the
end; it's the beginning.

Orrin Hatch

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