

UNDERSTANDING YOUR RIGHTS AND RESPONSIBILITIES AS A STUDENT LOAN BORROWER

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WESLEYAN UNIVERSITY
CLASS OF 2014





Federal Perkins Loan Program

IMPORTANT FEATURES OF THE PERKINS LOAN

9-month grace period (unless fully used while on leave; then you will have a six-month grace)

Repayment typically begins in March

10 year repayment period

No penalty for early repayment

In-School and Hardship Deferments available

Campus Partners is University's loan servicer and all correspondence will come from them; everything available online at www.mycampusloan.com

PERKINS CONTINUED....

If payment becomes a problem, handle it immediately; much easier to prevent problem than to fix one. Call Wesleyan Student Loan Office for advice

If loan goes into default (miss three payment or more), it goes immediately to collections, which can add up to an additional 30% collection fees to the amount owed. Negative credit information goes to all 3 credit bureaus on defaulted loans.

Account management info, including E-Payments, address update, etc. and Misc Forms (deferment, hardship, cancellation) ALL available on Campus Partners website.

PERKINS CONTINUED...

Think carefully about consolidation:

Advantage is that you will be paying back all loans to ONE lender,

Disadvantage is that you lose Perkins cancellation provisions. Perkins have loan cancellation provisions for certain career fields. More info on Campus Partners' website.

PERKINS CONTINUED...

Exit Counseling completed online at www.mycampusloan.com

Exit Counseling process, as per the orange instruction sheet

- Use Internet Explorer (no other browsers)
- Laptops do not always work properly
- There are THREE parts to the Exit – must do all 3

Wesleyan Loan (Institutional Loan)

IMPORTANT FEATURES OF THE WESLEYAN LOANS

6-month grace period (same as FFEL and Direct Loans)

Repayment begins in November

10 year repayment period

No penalty for early repayment

Campus Partners is University's loan servicer and all correspondence will come from them; everything available online at www.mycampusloan.com

WESLEYAN LOAN CONT...

Not eligible for consolidation (re: institutional loan not a federal loan)

In-school and hardship deferments available at Campus Partners web site

Exit Counseling completed online at www.mycampusloan.com

International Students not able to complete Exit Interview online – must do an in-person exit interview in the Student Loan Office.

HAVE MORE THAN ONE LOAN TYPE?

Different programs have different rules and there is NO cross-over communication among them

If deferment or forbearances are requested (in-school, hardship), forms MUST be submitted to and processed for EACH LOAN TYPE

AVOID DEFAULTING!!!

- **CALL YOUR LENDER** if you have experience financial difficulties. You may qualify for a forbearance or deferment. Servicers will work with just about any situation.
- **CONSIDER REPAYMENT PLAN** that works best for you: Depending on debt levels you may be eligible for various repayment options- including options that extend repayment to 25 years and payments are dependent on your income level.
- **IF YOU DO NOTHING**, a defaulted loan will cause...
 - (1) collection action
 - (2) bad credit
 - (3) Loss of eligibility for further financial aid
 - (4) Garnished Wages and/or Federal Refunds
 - (5) Litigation

Can't make federal loan payments under ANY Plan, talk to your Servicer about...

Forbearance and/or Deferment:

FORBEARANCE - A student loan forbearance is an agreement between a borrower and the lender/servicer to temporarily postpone payments, extend the timeframe for making monthly payments, or reduce the amount of monthly payments on a short-term basis. *Interest continues to accrue during a forbearance.*

Americorps (CNCS) Forbearance

General Forbearance

Internship/Residency Forbearance

Loan Debt Burden Forbearance

Teacher Loan Forgiveness Forbearance

DEFERMENT - student loan deferment is a period of time during which payments are postponed. Deferments require documentation. There are different types of deferments for which borrowers can apply, such as in-school deferments or unemployment deferments. *Interest accrual is suspended during a deferment.*

Armed Forces Deferment

Economic Hardship Deferment

Graduate Fellowship Program Deferment

In School At Least Half Time Deferment (GRAD SCHOOL in September??)

Internship/Residency Program Deferment

Parental Leave Deferment

Peace Corps Deferment Teacher Shortage Area Deferment

Temporary Total Disability Deferment

Unemployment Deferment

Working Mother Deferment

LOAN FORGIVENESS PROGRAMS FOR DIRECT STAFFORD LOAN AND PERKINS

- Loan forgiveness options may exist for certain career field, i.e. military, law enforcement, nursing, etc. but you should check with your future employer and professional websites for more details.
- Sign up at the beginning because many will not retroactively include repayment amounts.



BOOKMARK

NATIONAL STUDENT LOAN DATABASE WEBSITE

https://www.nslds.ed.gov/nslds_SA/

- This database will allow you to log-in at anytime and click on your loans from any year and receive contact information on the current servicer for that loan.
- The Dept. of Education has worked to streamline student loans into a common servicer based on social security number.

IMPORTANT TO REMEMBER

ADDRESS CHANGE

Keep all lenders advised of any address changes. Changing your address with the university does not update it with lenders!

Not receiving a bill is not a valid reason to not pay. e.g., if your billing statements are going to an old address and you never see them, you are still responsible for paying your loan on time. One way to resolve the invalid address problem is to sign up for electronic (email) billing.

RECAP...

Must complete Exit Counseling for ALL relevant loans by May 16th, 2014

If you are in a financial situation where you cannot pay your loans for a period of time, **DO NOT IGNORE THE BILLS!**

You can apply for **deferments or forbearances** that will temporarily suspend the payments.

You can reduce your monthly payment by requesting one of the **plans** that offer smaller monthly payments.

If you ignore it, you end up in a **defaulted status** with damage to your credit.

No penalty for early repayment

Do not forget about the **Perkins** Loan. While most of your other loans (Stafford, Direct, Wes Loan) go into repayment in SIX months, the Perkins Loan has a **NINE month grace period**.

FINAL FINANCIAL AID AND STUDENT ACCOUNTS “TO-DOS” ...

Complete Required Exit Counseling by May 16, 2014

Settle your Student Account bill

Hold will be placed on Diploma and Transcript if 1 & 2 are not done



IMPORTANT LINKS:

https://www.nsls.ed.gov/nsls_SA/:

www.studentloans.gov

<http://studentaid.ed.gov>

www.mycampusloan.com

<https://loanconsolidation.ed.gov/AppEntry/apply-online/appindex.jsp#skipnav>

More helpful links:

Financial tips: www.bankrate.com

Career planning, services, etc: www.students.gov

Free credit reports: www.annualcreditreport.com

Credit scores: www.myfico.com & www.creditkarma.com

THANK YOU FOR YOUR ATTENTION & CONGRATULATIONS!!!!

Any questions, please contact

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