UNDERSTANDING YOUR RIGHTS AND RESPONSIBILITIES AS A STUDENT LOAN BORROWER

PRESENTED BY HRISSI HALDEZOS, ASSOCIATE DIRECTOR OF STUDENT ACCOUNTS
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

Heartland ECSI is University’s loan servicer and all correspondence will come from them; everything available online at https://heartland.ecsi.net/
PERKINS CONTINUED....

If payment becomes a problem, handle it immediately; much easier to prevent problem than to fix one. Call the servicer (Heartland ECSI); 1-888-549-3274

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 Heartland ECSI 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. Contact Heartland ECSI for more info.
Exit Counseling completed online at
https://heartland.ecsi.net/

Exit Counseling process, as per the orange instruction sheet
--Please use Internet Explorer or Google Chrome
-Can do on laptop but NOT on mobile device
--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 December

10 year repayment period

No penalty for early repayment

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WESLEYAN LOAN CONT...

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

In-school and hardship deferments available at Heartland ECSI web site

Student Loan Office (me!) will send an email to Wesleyan Loan borrowers about setting up an in-person exit session before graduation
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 experienced financial difficulties. You may qualify for a forbearance or deferment. Servicers will work with just about any situation.

- **IF YOU DO NOTHING**, a defaulted loan will cause...
  1. Collection agency 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
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
- Peace Corps Deferment
- Teacher Shortage Area Deferment
- Temporary Total Disability Deferment
- Unemployment 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.
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 Monday, May 22, 2017

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.

If you ignore your loan, you WILL 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”...

1) Complete Required Exit Counseling by (Monday) May 22, 2017

2) Settle your Student Account bill

Hold will be placed on Transcript if 1 & 2 are not done
IMPORTANT LINKS:

https://heartland.ecsi.net; Customer Service Number: 1-888-549-3274
https://loanconsolidation.ed.gov/AppEntry/apply-online/appindex.jsp#skipnav

More helpful links:

Financial tips: www.bankkrate.com
Career planning, services, etc: www.students.gov
Free credit reports: www.annualcreditreport.com
Credit scores: www.myfico.com & www.creditkarma.co
THANK YOU FOR YOUR ATTENTION & CONGRATULATIONS!!!!

Any questions, please contact

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