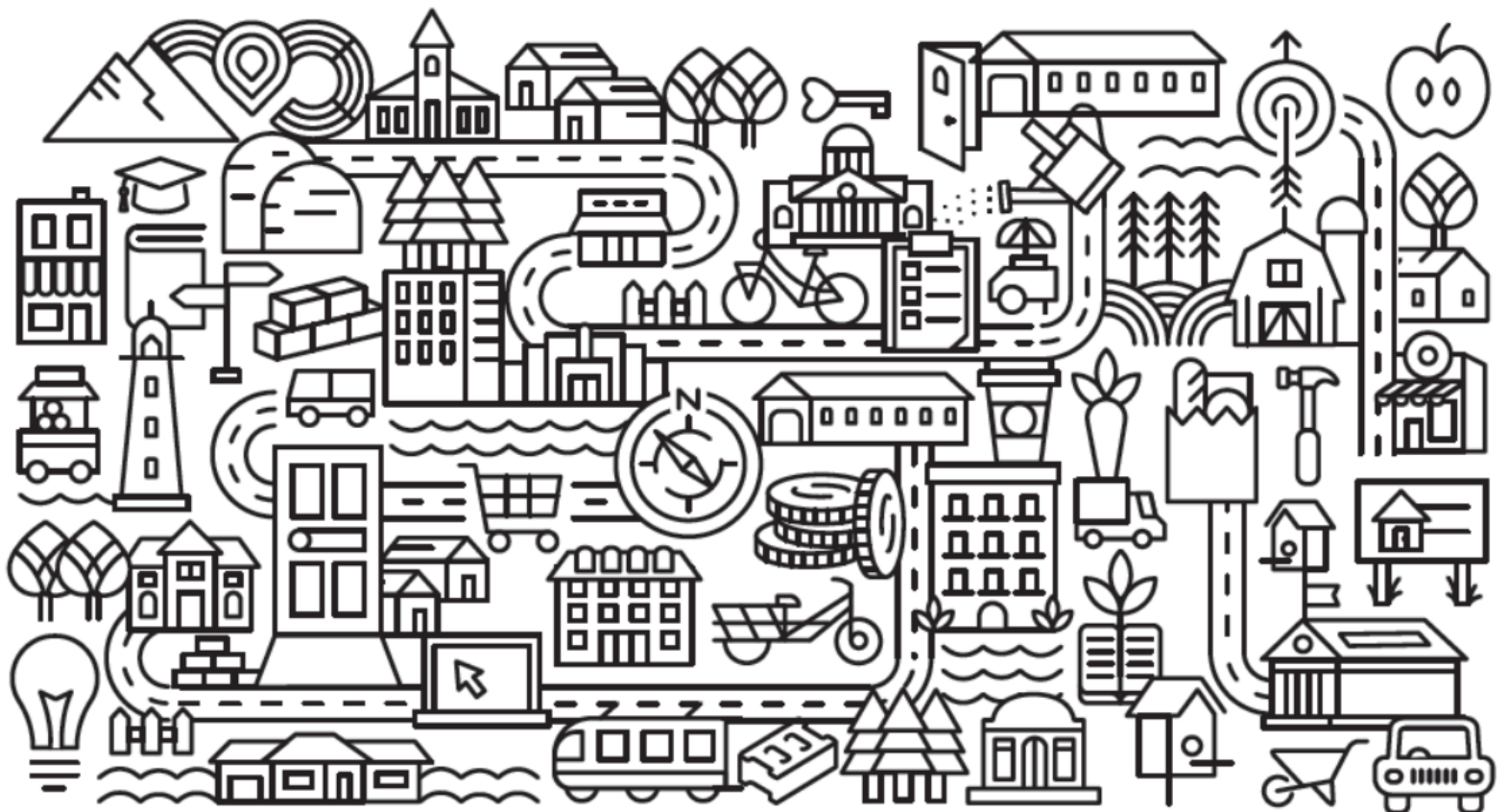


Student Debt

Define the Term Activity	2	Forgiveness, Cancellation, Discharge	6
Credit Report for Private Loans	3	Action Steps	7
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Student Loan Terms

Subsidized / Income Driven Repayment / Unsubsidized / Delinquency / Private Loan

Public Service Forgiveness / Deferment / Forbearance / Consolidation / Default / Rehabilitation

This loan type does not charge you interest as long as you are taking classes at least half time or while in deferment:

An option to cure default; make 9 voluntary, reasonable, and affordable payments by due date all 9 payments must be over 10 consecutive months:

This loan type charges interest immediately upon dispersal of funds and capitalizes the interest annually if it goes unpaid:

Ability to borrow is determined by reviewing credit score and income, little flexibility for repayment:

You might be eligible for this type of forgiveness if you work full time at a qualifying employer. After making 120 qualifying payments the pending balance is forgiven (if you have the right loan type):

Combines multiple loans into one NEW loan, new terms:

Postpones payments for all loans but still charges interest on unsubsidized loans:

After 90 days of missed payments loans are considered to be in this status and reports to the credit bureaus:

Temporary reduction or postponement of payments due to hardship, interest on all loans accrues:

Payment is driven by discretionary income, which is determined by plan type. Balances can be forgiven after 20-25 years, dependent on plan type:

After 9 months, loans move in to this status and entire loan amount is due, wages can be garnished, tax refund withheld:

OBTAIN YOUR REPORT EVERY 12 MONTHS

Review Your Credit Report

You are entitled by the Fair Credit Reporting Act to get a free credit report each year from the three credit bureaus through AnnualCreditReport.com, the only authorized website for free credit reports. You'll answer questions to verify your information and select from which bureaus you'd like to pull your credit report. To monitor your credit more regularly, opt to view a credit report from just one bureau every four months.

AnnualCreditReport.com

The only source for your free credit reports. Authorized by Federal law.

The screenshot shows the AnnualCreditReport.com website. At the top, it says "AnnualCreditReport.com" and "The only source for your free credit reports. Authorized by Federal law." Below this is a navigation menu with links: Home, All about credit reports, Request yours now! (highlighted), What to look for, Protect your identity, Frequently asked questions, and Contact us. The main content area is titled "3 steps to your free credit reports" and features a three-step process:

- 1 Fill out a form**
Fill out one form to request one, two, or three reports
- 2 Pick the reports you want**
Request your credit reports from Equifax, Experian or TransUnion.
- 3 Request and Review your reports online**
Before you get your credit reports, you will answer a few more questions. These questions are meant to be hard. You may even need your records to answer them. They are used to ensure that nobody but you can get your credit information.
If you can, print your credit reports so you can look at them later.

An arrow points from step 3 back to step 2, with the text "You repeat this step for each credit report".

You can also order by phone at 1-877-322-8228 or order by mail by contacting each of the bureaus directly:

 <p>P.O Box 740241 Atlanta, GA 30374 (877) 784-2528 www.equifax.com</p>	 <p>(866) 200-6020 www.experian.com</p>	 <p>P.O. Box 1000 Chester, PA 19022 (800) 916-8800 www.transunion.com</p>
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OBTAIN YOUR REPORT EVERY 12 MONTHS

Review Your Credit Report

Equifax	Experian	TransUnion	Checklist Item
			Is your name correct?
			Is your Social Security number correct?
			Is your current address correct? Is your current phone number correct?
			Are the previous addresses they have listed for you correct?
			Is your marital status listed correctly?
			Is your employment history accurate?
			Is everything listed in the personal information section correct?
			Is there anything listed in the public records information? Is it correct?
			Review each item under the credit account (trade account) section. Are the accounts on the list still open?
			Are all of the current balances correct?
			Are accounts where you are an authorized user or joint owner listed?
			Are zero balances recorded for debts discharge in bankruptcy? For debts paid in full?
			Are you listed as a co-signer on a loan? Is this correct?
			Are accounts that you closed listed as "closed by the consumer?"
			Is negative information reported on each credit account correct? Look for late payments and missed payments?
			Are any accounts listed more than once? Check to make sure the same account is not listed multiple times in the collection section?
			Is old negative information still being reported? If yes, highlight the information that has exceeded the negative information reporting limit, which is usually seven years.
			Do you suspect that you have been the victim of identity theft after reviewing your credit reports?

Source: Your Money Your Goals, pages 217-218, Consumer Finance Protection Bureau

Income-Driven Repayment Plans

	Payment Amount
REPAYE Plan	Generally 10 percent of your discretionary income
PAYE Plan	Generally 10 percent of your discretionary income, but never more than the 10-year Standard Repayment Plan amount
IBR Plan	<p>Generally 10 percent of your discretionary income if you're a new borrower *on or after July 1, 2014*, but never more than the 10-year Standard Repayment Plan amount</p> <p>Generally 15 percent of your discretionary income if you're not a new borrower on or after July 1, 2014, but never more than the 10-year Standard Repayment Plan amount</p>
ICR Plan	<p>The lesser of the following:</p> <ul style="list-style-type: none"> • 20 percent of your discretionary income or • what you would pay on a repayment plan with a fixed payment over the course of 12 years, adjusted according to your income

Under all four plans, any remaining loan balance is forgiven if your federal student loans aren't fully repaid at the end of the repayment period. For any income-driven repayment plan, periods of economic hardship deferment, periods of repayment under certain other repayment plans, and periods when your required payment is zero will count toward your total repayment period

REPAYE Plan	20 years if all loans were received for undergraduate study 25 years if loans were received for graduate or professional study
PAYE Plan	20 years
IBR Plan	20 years if you're a new borrower on or after July 1, 2014 25 years if you're not a new borrower on or after July 1, 2014
ICR Plan	25 years

Terms & conditions may change : <https://studentaid.gov>

Loan Eligibility for Forgiveness, Cancellation, or Discharge

The list below is a quick view of the types of forgiveness, cancellation, and discharge available for the different types of federal student loans

Type of Forgiveness, Cancellation, or Discharge	Direct Loans	Federal Family Education Loan (FFEL) Program	Perkins Loans
Public Service Loan Forgiveness	X	X*	X*
Teacher Loan Forgiveness	X	X	
Perkins Loan Cancellation (includes Teacher Cancellation)			X
Total and Permanent Disability Discharge	X	X	X
Death Discharge	X	X	X
Bankruptcy Discharge (in rare cases)	X	X	X
Closed School Discharge	X	X	X
False Certification of Student Eligibility or Unauthorized Signature/Unauthorized Payment Discharge	X	X	
Unpaid Refund Discharge	X	X	

*FFEL Program loans and Perkins Loans may become eligible for Public Service Loan Forgiveness if they are consolidated into the Direct Loan Program

Terms & conditions may change, for up to date info visit: <https://studentaid.gov>

ACTION STEPS

Tackling Student Loans for Homebuyers

Step 1: FSA ID

<https://nslds.ed.gov/npas/index.htm>

- If you have not logged on since May 10, 2015, you will need to create a Federal Student Aid ID under the **“Manage My FSA ID”** tab. The FSA ID is a user name and password that has replaced the Federal Student Aid Pin and serves as your electronic signature

Step 2: NSLDS –View Inventory Of Loans

<https://nslds.ed.gov/npas/index.htm>

- The National Student Loan Data System shows all federal aid ever received, including grants. The system shows loan types, outstanding principal and interest, loan status, and loan servicer. This is important because not all loan types are eligible for IDR or forgiveness. You may need a direct consolidation:
 - <https://studentaid.gov/app/launchConsolidation.action>

Step 3: Choose A Repayment Plan

<https://studentaid.gov/app/repaymentEstimator.action>

- Link info from the NSLDS into calculator with FSA ID and review repayment options
- Consider how a lender will view your payment for homeownership

Step 4: Look Into Loan Forgiveness, Discharge Or Cancellation

<https://studentaid.gov/manage-loans/forgiveness-cancellation>

- If you are thinking about consolidating loans & doing PSLF – do it before making any qualifying payments!

Student Loan Term Definitions

Subsidized Loans: This loan type does not charge you interest as long as you are taking classes at least half time or while in deferment.

Unsubsidized Loans: This loan type charges interest immediately upon dispersal of funds and capitalizes the interest annually if it goes unpaid.

Public Service Loan Forgiveness: You might be eligible for this type of forgiveness if you work full time at a qualifying employer. After making 120 qualifying payments the pending balance is forgiven (if you have the right loan type).

Deferment: Postpones payments for all loans but still charges interest on unsubsidized loans

Forbearance: Temporary reduction or postponement of payments due to hardship, interest on all loans accrues.

Default: After 9 months, loans move into this status and entire loan amount is due, wages can be garnished, tax refund withheld.

Rehabilitation: An option to cure default; make 9 voluntary, reasonable, and affordable payments by due date all 9 payments must be over 10 consecutive months.

Private Loan: Ability to borrow is determined by reviewing credit score and income, little flexibility for repayment.

Consolidation: Combines multiple loans into one NEW loan, new terms

Income Driven Repayment: Payment is driven by discretionary income, which is determined by plan type. Balances can be forgiven after 20-25 years, dependent on plan type.