

## ***PARTICIPANT HANDOUTS***

### **“Lunchtime Learning” Professional Skill Development Distance Learning Series Event #1: Student Loan Management and Repayment Options**

**Presented by:**

Carlos Colón, AFC, Bilingual Personal Finance Coach, *mpowered*

**Live Broadcast Date/Time:**

Wednesday, April 15, 2015

12:00–1:00pm Mountain Time / 1:00–2:00pm Central Time

**Series Overview:**

Join Community Health Association of Mountain/Plains States (CHAMPS) and Colorado Community Health Network (CCHN) for the [\*\*“Lunchtime Learning” Professional Skill Development Distance Learning Series!\*\*](#) These six one-hour webcasts will take place between April and September of 2015. Participants may attend any selection of events, all are designed to provide professional development and skills improvement as a component of a continuous process of advanced practice transformation, with the goal of positively impacting retention rates at Region VIII health centers. The events are primarily targeted at health center administrative and clinical support staff, although staff members from all levels of the health center are welcome.

**Event Overview:**

“Student Loan Management and Repayment Options” focuses on the formal process for managing student loans. Participants will learn about existing repayment options, major loan forgiveness programs, and the various websites and avenues available for managing and gaining control over their student loans.

**Learning Objectives:**

At the end of the session, participants will be able to:

1. Utilize relevant websites to seek information about and manage their student loans.
2. Use relevant websites to identify their student loan servicers, balances, interest rates, loan status, and select desired repayment option.
3. Design a payoff strategy for their student loans.
4. Be able to design a student loan management strategy.
5. Identify if Public Service Loan Forgiveness is an option they can pursue.

## **CONTENTS**

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## **SERIES TIMELINE**

- Event #1: Student Loan Management and Repayment Options (04/15/15)
- Event #2: Customer Service: The Art of Caring (05/20/15)
- Event #3: Civility in the Workplace: Creating a Friendlier and More Productive Work Environment (06/17/15)
- Event #4: Foundations for Influencing: Asking for What You Want (07/15/15)
- Event #5: Foundations for Influencing: Facilitation of Problem Solving (08/19/15)
- Event #6: Cultural Competency (09/16/15)

Visit [www.CHAMPSonline.org/Events/DistanceLearning.html](http://www.CHAMPSonline.org/Events/DistanceLearning.html) for complete details, including registration for individual events.

## **CHAMPS ARCHIVES**

This event will be archived online and on CD-ROM. The online version will be available within two weeks of the live event, and the CD will be available within two months. CHAMPS will email all identified participants when these resources are ready for distribution. For information about all CHAMPS archives, please visit [www.CHAMPSonline.org/Events/DistanceLearning.html](http://www.CHAMPSonline.org/Events/DistanceLearning.html).

## **DESCRIPTION OF CCHN**

Colorado Community Health Network (CCHN) is a non-profit organization representing the 18 Colorado Community Health Centers (CHCs) that together are the backbone of the primary health care safety-net in Colorado. CCHN is committed to educating policy makers and stakeholders about the unique needs of CHCs and their partners, providing resources to ensure that CHCs are strong organizations, and supporting CHCs in maintaining the highest quality care. For more information about CCHN, please visit [www.cchn.org](http://www.cchn.org).

## **DESCRIPTION OF CHAMPS**

Community Health Association of Mountain/Plains States (CHAMPS) is a non-profit organization dedicated to supporting all Region VIII (CO, MT, ND, SD, UT, and WY) federally-funded Community, Migrant, and Homeless Health Centers so they can better serve their patients and communities. Currently, CHAMPS programs and services focus on education and training, collaboration and networking, workforce development, and the collection and dissemination of regional data. For more information about CHAMPS, please visit [www.CHAMPSonline.org](http://www.CHAMPSonline.org).

## **SPEAKER BIOGRAPHIES**

**Carlos Colón, ACC, Bilingual Personal Finance Coach** - Carlos joined *mpowered* as a bilingual Personal Finance Coach. One of his primary roles as Coach is to provide our financial education services in support of the growing Spanish speaking community of Colorado. He is particularly excited to serve our diverse population through a local, nonprofit, and mission-driven organization. He also has experience as a post-secondary educator and is thrilled to contribute to our community enrichment classes through *mpowered's* extensive and growing network of partners.

# Student Loans Resource Guide

## Repayment Options

As of 2010, all new student loans are originated through the US Department of Education's Direct Loan program. Direct Loans may be serviced by approved providers. Private student loans will still be repayable to the original lender.

There are seven repayment options through the Direct Loan program. If the standard payment is no longer affordable for you, consider one of the alternate repayment plans listed here. All of the alternate repayment plans reduce the monthly payment by increasing the loan term; this will increase the total interest paid over the life of the loan.

1. **Standard** – Requires that the loan be repaid with 10 years; minimum payment of \$50 per loan per month.
2. **Graduated** – Payments start low and gradually increase over time.
3. **Income-based** – Payments are based on income and number of people in the household and qualifying individuals must demonstrate a partial financial hardship.
4. **Income-contingent** – Payments are based on to the borrower's income, family size, and total amount borrowed. The monthly payment amount is adjusted annually, based on changes in annual income and family size.
5. **Pay As You Earn** – This option offers more generous loan terms and is available for those who borrowed a federal loan on or after October 1, 2011.
6. **Extended repayments** – This is available if you have more than \$30,000 in loans, borrowed on or after 10/7/1998. Loans may be repaid over a 25-year period.
7. **Consolidation** – Combine multiple loans into one monthly repayment. Eligible loan types include Stafford, PLUS, Perkins and Grad PLUS.

## Consequences of Default

If you do not make any payments on your federal student loans for 270 to 360 days (or 120 days for private student loans), and do not make special arrangements with your lender to get a deferment or forbearance, your loans will be in default. Defaulting on your student loans has serious consequences, including, but not limited to:

1. Defaulted loans are reported to the credit bureaus and will appear on the borrower's and any co-signers' credit reports for 7 years after the default claim is paid.
2. Interest rates on defaulted loans can be as high as 18.5% (interest is capped at this rate).
3. Loans become due in full immediately, and borrower can be sued for the entire amount.
4. Wages may be garnished (with or without a court order).
5. Borrower is ineligible to receive further state and/or federal financial aid.
6. Federal and state income tax refunds will be withheld (affects borrower and any co-signer).
7. Loan will be assigned to a collection agency or federal government for collection.
8. Borrower is responsible for any attorney's fees and collection costs.

To avoid default: stay organized, make your payments on time, notify your lender or servicer promptly of any changes that may affect your loan repayment, and if you're having temporary financial difficulties, ask your lender about deferment options while you are still making payments, before you default on your loan.

# Solutions

There are many options available to help borrowers who are having trouble repaying their student loans. Which options are appropriate for you depends in part on whether your financial difficulty is short-term or long-term, and whether you have already defaulted on the loans.

NOTE: These solutions are mainly for borrowers of federal education loans, as options for borrowers of private student loans are more limited. The main options available to private student loan borrowers are short-term forbearances (suspensions of monthly payments) and an undue hardship bankruptcy discharge.

## Postponing Repayment

If you are thinking about defaulting on your student loans due to a short-term financial hardship, ask the lender whether you are eligible for a **deferment** or **forbearance** before you default. For any reason, borrowers may request a 6-month or one-year forbearance if they are unable to make payments on their loans. However, you cannot receive a deferment or forbearance if your loan is in default. If you default on your loans, you are no longer eligible for deferments and forbearances. **IMPORTANT:** Do not stop making payments on your student loans until after you are notified that your deferment or forbearance has been granted.

For more information about deferments and forbearances, contact the original lender or current servicer of your loan. If you have federal loans, contact [www.dl.ed.gov](http://www.dl.ed.gov) or 1-800-4FEDAID (1-800-433-3243) for more information.

## Rehabilitation

Loan rehabilitation is an option for borrowers who are 240 days past due. You must make arrangements with the current holder of the loan to repay the loan. After you have made 9 of 10 consecutive payments within 20 days of the due date, you can apply to have the loan rehabilitated. Required payments will be calculated based on the balance owed and the borrower's income, as in Income Based Repayment (IBR). Borrowers who cannot afford the calculated IBR can negotiate payment based on what is reasonable and affordable for the borrower (requires a review of the borrower's income and expenses). Borrowers may then negotiate a reduction in fees and interest. This is the only program that will remove the default status of the loans from the borrower's credit report. However, it does not remove the late payment history. Call the US Department of Education's Default Resolution Group at 1-800-621-3115 for more information.

## Consolidation

Many federal student loans can be consolidated to make repayment easier and more convenient. Loans eligible to be consolidated are Stafford loans, Plus and Graduate Plus loans, and Perkins loans. If borrowers are in default and plan to continue college, they may consolidate out of default into the Direct Lending program and borrow new student loans after this process is complete. This will NOT remove the negative impact to their credit score. Call Direct Loans at 1-800-4 FED AID (1-800-433-3243) for more information.

\*\*\*If borrowers are in default and want to consolidate, they should go through the rehabilitation program first, and then consolidate their loans.

## How to...

**To Apply for a PIN, Request a Duplicate, or Change Your Current PIN:** Visit <https://pin.ed.gov>  
Your PIN will be necessary in order to access websites and manage your student loans.

**To Take Inventory of All Your Federal Student Loans:** Visit <http://www.nslds.ed.gov>  
It is necessary to take inventory of your student loans. Knowing what kind of student loans you have is important in order to better determine what programs or benefits you may be eligible for.

**To Calculate an Estimated Repayment Amount for the Various Repayment Options:**  
Visit <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>  
This repayment calculator provides repayment estimates based on your student loan inventory.

**To Consolidate Your Federal Student Loans:** Visit <http://studentloans.gov>.  
Borrowers may want to consolidate their loans in order to get out of default, or to convert other kinds of loans (like FFEL loans) into Direct Loans. Income Based Repayment (IBR) and Pay As You Earn (PAYE) repayment plans, as well as Public Service Loan Forgiveness (PSLF), are among the benefits available to Direct Loan borrowers.

**To Manage Your Federal Student Loans and to Find Forms, Applications and Links to Relevant Websites:**  
Visit <https://studentloans.gov>  
Borrowers may visit this website to find information about the loans they currently hold, loan servicers, and to apply for or request applications for repayment plans, and any other relevant information regarding Federal Student Loans. For instance, a borrower who has applied for a repayment plan (like an IBR) should visit this website for status reports and to verify that all loan servicers have received and implemented the repayment plan (some loan servicers require that you apply directly to them).

**To Find Information on PSFL, Applying for PSLF, and Documenting Qualifying Employment:** Visit <http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service>  
This website provides information regarding Public Service Loan Forgiveness.

### Need More Help?

The Student Loan Borrower Assistance Project run by the National Consumer Law Center is another source of information and other resources for dealing with debt problems. Visit [www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org).

Visit <http://askheatherjarvis.com/tools> for additional resources.

<https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action#view-repayment-plans>



**Presented by: Carlos A. Colón, AFC®**

**Financial Education Program Coordinator, Bilingual Personal Finance Coach**

Hosted by:  **COLORADO  
COMMUNITY HEALTH NETWORK**  
Access for All Colorado



## ***Student Loan Management and Repayment Options***

**April 15, 2015, 12 PM – 1 PM Mountain Time**

**1 PM – 2 PM Central Time**

**Lunchtime Learning: Professional Skill Development  
Distance Learning Series, Part 1 of 6**

[www.mpoweredcolorado.org](http://www.mpoweredcolorado.org)

[www.cchn.org](http://www.cchn.org)

[www.championline.org](http://www.championline.org)

### ***Interactive Poll***

How knowledgeable do you feel about student loans and repayment options?

- Not at all knowledgeable
- Somewhat knowledgeable
- Knowledgeable
- Very knowledgeable



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## ***Interactive Question***

How many people, total, are watching this event at your computer (yourself included)?



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## ***Learning Objectives***

1. Identify available monthly repayment options for federal student loans
2. Identify strategies for paying off student loans
3. Determine if Public Service Loan Forgiveness is right for you
4. Identify tools and websites that help individuals find information and take control of their student loans



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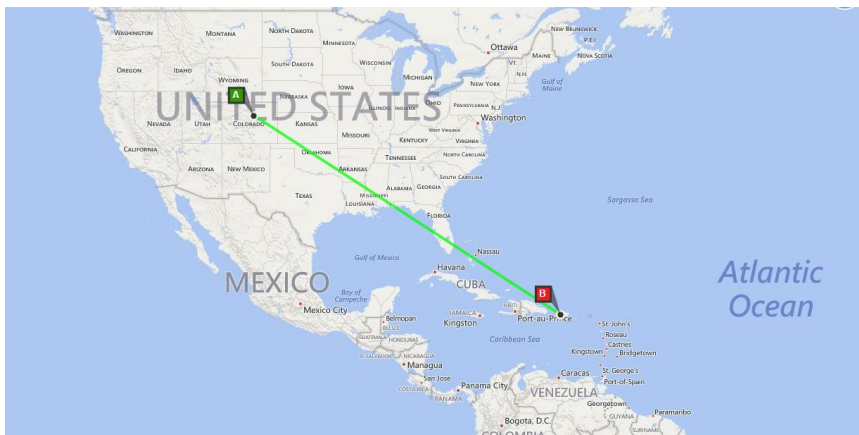
# About Us

- Local, nonprofit, accessible
- 13 year Gold Star rating
- Winners in the small nonprofit category for the 2014 Denver/Boulder BBB Torch Award for Marketplace Trust!
- BBB & COA accredited with AFCPE certified coaches



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## mpowered visits Utuado, Puerto Rico



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## Changing the Conversation

Our mission is to empower families and individuals to think, act and feel differently about their money.

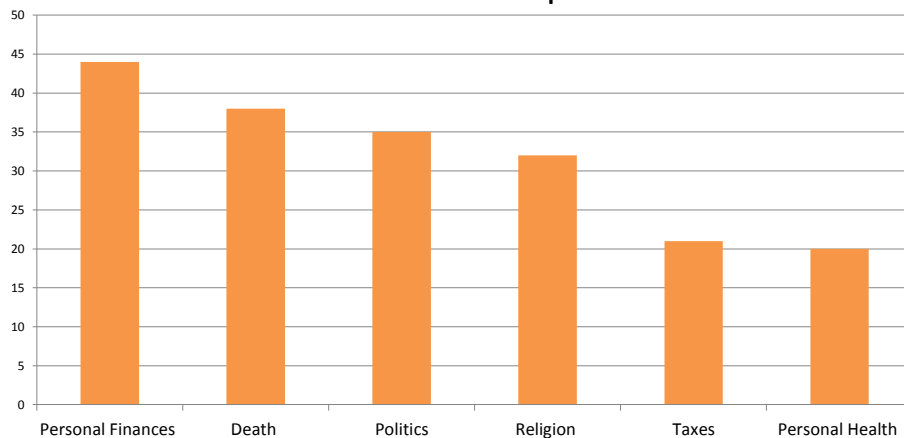
Join *mpowered* we change the conversation around money management and financial education in Colorado.



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## Challenging Conversations

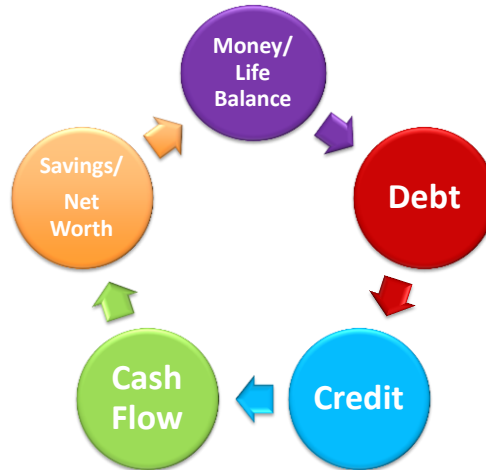
Percent of Americans that find the topic difficult to discuss



<http://online.wsj.com/article/PR-CO-20140220-909538.html>

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## ***5 Foundations & Key Questions***



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An analysis of four decades of federal data shows:

Despite rising tuition and falling wages, college graduates continue to earn far more over a lifetime than a worker with no more than a high school diploma.



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## An analysis of four decades of federal data shows:

- Average wages declined for workers with no college degree.
- The return on investment for an associate's or bachelor's is about 15% a year over the past decade.
- Bachelor's holder earned 56% more
- Associate's degree holder earned 21% more



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Graduate and professional borrowers routinely owe mortgaged-sized student loan balances upon graduation.

-Heather Jarvis,  
Student Loan Professional

[askheatherjarvis.com](http://askheatherjarvis.com)



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## ***Interactive Poll***

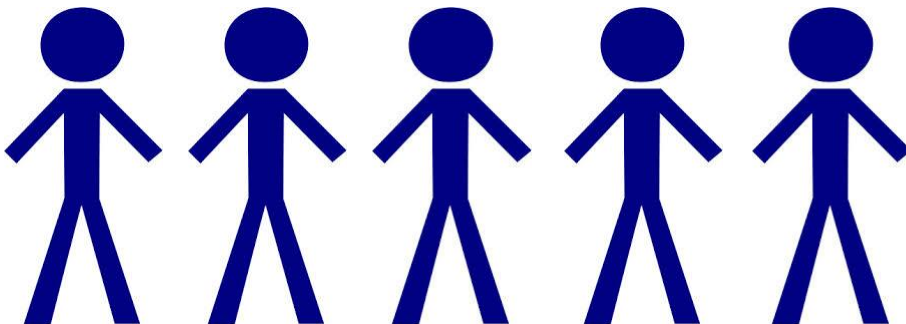
**Do you feel that the lifetime benefit of your degree/education outweighs the lifetime financial cost?**

- Yes
- No
- Not Sure
- Mixed Responses



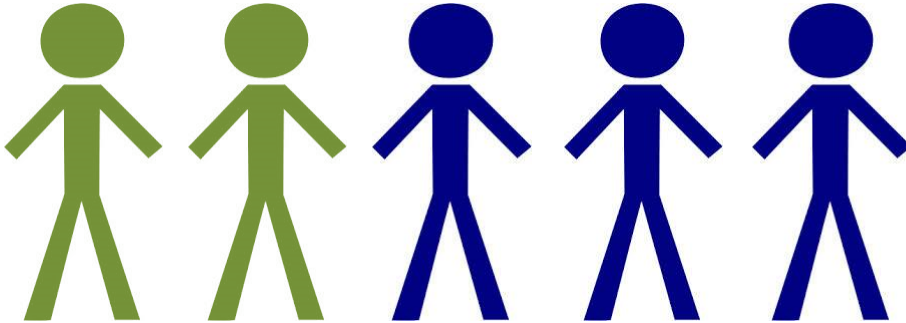
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***How many survey respondents said the lifetime financial benefit of the degree outweighed the lifetime financial cost?***



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***Just two in five survey respondents who finished college and are paying back their student loans said the lifetime financial benefit of the degree outweighed the lifetime financial cost.***



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## ***Interactive Poll***

**Are you currently repaying your student loans.**

- Yes
- No
- I don't have outstanding student loan debt



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**51%**

New data released by the U.S.  
Department of Education shows:

Less than half of borrowers with the  
most common type of federal student  
loan [Direct Loans] are repaying their  
debt on time.



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## 4 Steps for Managing Your Student Loans:

Step 1: Know who you owe

Step 2: Know the status of your loans

Step 3: Choose a repayment option

Step 4: Know your end game



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# ***Step 1: Know Who You Owe***

## **Private Loans**

[annualcreditreport.com](http://annualcreditreport.com)

## **Federal Loans**

[www.nslds.ed.gov](http://www.nslds.ed.gov)



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# ***Step 1: Know Who You Owe***

## **Private Loans**

Commercial Loans  
Alternative Loans

School as Lender  
State Funded Loans

## **Federal Loans**

Subsidized Stafford  
Unsubsidized Stafford  
Graduate Plus  
Parent Plus

Federal Consolidation  
Perkins  
FFEL  
Direct



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## ***Step 1: Know Who You Owe***

### **Verify:**

- Lender or servicer
- Amount owed
- Status of loans
- Dates associated with loans



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## ***Step 1: Know Who You Owe***

### **Private Loans**

Terms and conditions for repayment set by  
Promissory Note (little flexibility)

### **Federal Loans**

Terms and conditions for repayment set by Federal  
Programs and Laws (greater flexibility)



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## ***Step 2: Know the Status of Your Loans***

In-School	Repayment
Grace Period	Delinquent
Deferment	Default
Forbearance	Rehabilitation



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## ***Step 2: Know the Status of Your Loans***

In-School	Repayment
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# *Federal Loans Only*



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## ***Step 3: Choose Repayment Option***

Federal Loan borrowers can choose from various repayment options:

Standard

Graduated

Extended (standard  
& graduated)

Income Based Options:

IBR – income based repayment

ICR – income contingent  
repayment

PAYE – pay as you earn



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## ***Income Based Repayment***

The income based repayment option you are eligible for will depend on:

- The type of loan
- The origination date of your first loan



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## ***Income Based Repayment***

Your monthly payment amount will be determined by:

- AGI (Adjusted Gross Income)
- Household Size
- Total amount of student loan debt for borrower and spouse



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## ***What if I can't pay?***

- Income based repayment can be as low as \$0.00 for some borrowers
- Deferment
- Forbearance



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## ***What if I default on my loans?***

- Consolidation
- Rehabilitation



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## ***Step 4: Know Your End Game***

- Payoff
- Forgiveness
- Cancellation or Discharge



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## ***Loan Forgiveness Options***

- PSLF (Public Service Loan Forgiveness)
- Teacher
- Perkins Cancellation
- Peace Corps
- AmeriCorps
- Military
- National Health Service Corps
- LRAP (Loan Repayment Assistance Programs)



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## ***Public Service Loan Forgiveness***

- 10 years of paid fulltime employment in public service (does not need to be consecutive)
- 120 qualifying payments
- Income based repayment plan
- Direct Loans only



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## ***How do I choose?***



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## ***Identify:***

- Personal & Cultural stories or refrains
- Beliefs about money
- ‘Self-talk’



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***What are your priorities?***

***What do you value?***

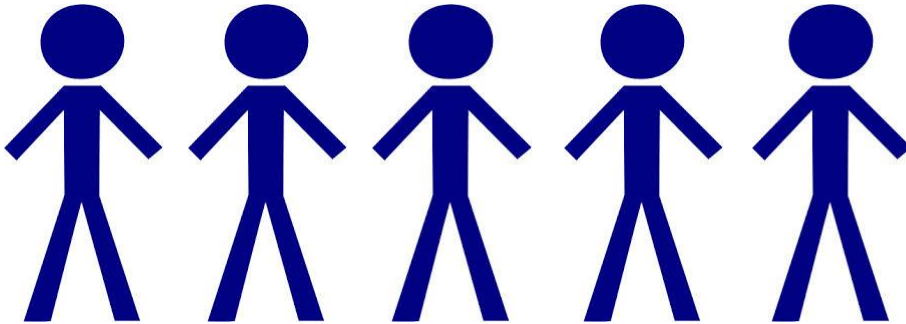
***What are your goals?***



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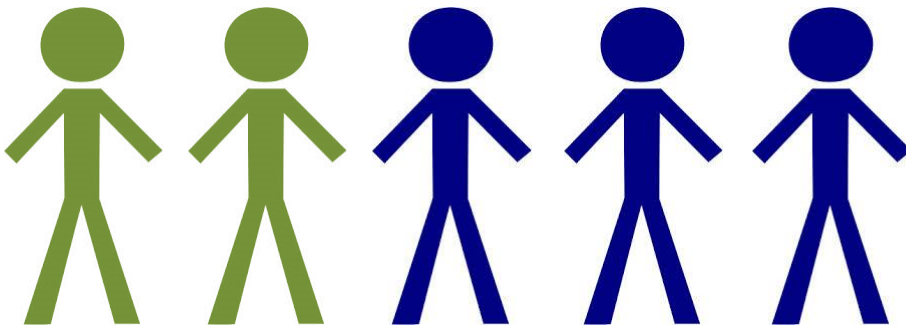


***How Many Americans Have a Budget & Track Their Spending?***



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***How Many Americans Have a Budget & Track Their Spending?***



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## ***Interactive Poll***

**I have identified 3 action items that I am committed to follow up on.**

- Yes
- No



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## ***3 Small Steps***

What are 3 small steps you can take toward managing your student loans?

- 1.
- 2.
- 3.



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# Questions?



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**Please feel welcome to contact me for:**

- ❖ Individual follow up
- ❖ Student Loan Counseling & Financial Coaching

[www.mpoweredcolorado.org](http://www.mpoweredcolorado.org)



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# Thank You for Joining Us!



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**COMMUNITY HEALTH NETWORK**  
Access for All Colorado



## *Your opinions are very important to us.*

Please complete the Evaluation for this event. Those attending the entire event and completing the Evaluation questions will receive a Certificate of Participation.

## *Each person should fill out their own Evaluation Survey.*

Please refer to the SurveyMonkey link provided under the “Handouts” tab of the online event. The same link was provided in the reminder email sent out in advance of the event, and will be included in a follow-up email to those logging onto the live event. Please pass the link along to others viewing the event around a shared computer.

To learn more about trainings offered by CHAMPS and CCHN, please visit:

[www.CHAMPSonline.org/Events/](http://www.CHAMPSonline.org/Events/)  
[www.CCHN.org/training-and-events](http://www.CCHN.org/training-and-events)



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