

It can take a minute to get used to

life after
college

What you can do now to be
ready for your student loan
payments



Speaker:
Date:

Let's unravel the **details**



Federal student loans

Direct Subsidized Loans

- Available to eligible undergraduate students with demonstrated financial need
- Interest is paid by the federal government while the student is in school at least half-time and during their six-month grace period

Direct Unsubsidized Loans

- Available to undergraduate and graduate students
- Students are not required to show financial need
- Payments are not required while the student is in school and during their six-month grace period, but interest does accrue

Federal student loans for graduate students

Direct Unsubsidized Loans

- Available to undergraduate and graduate students
- Students are not required to show financial need
- Payments are not required while the student is in school and during their six-month grace period, but interest does accrue

Direct Graduate PLUS Loans

- Available to graduate students
- Students are not required to show financial need
- Payments are not required while the student is in school and during their six-month grace period, but interest does accrue

Private student loans

A loan designed specifically for college financing

Funded by banks or other finance companies

Terms and costs vary by lender, so check your prom note for details or contact your loan servicer

If your loan was cosigned, check out options for cosigner release after you've had a chance to begin successfully making payments. Your servicer can provide details on the criteria and application process.



you
are here

Loan payments: What do you pay when?

How you're paying back your loans	While you're in school	Grace/separation period (6 months after you leave school)	After grace/separation
You deferred payments while in school	<input type="checkbox"/> No payments due	<input type="checkbox"/> No payments due	<input checked="" type="checkbox"/> Make principal & interest payments until loan is paid off
You've been making fixed or interest only payments	<input checked="" type="checkbox"/> Make fixed or interest only payments	<input checked="" type="checkbox"/> Keep making payments	<input checked="" type="checkbox"/> Make principal & interest payments until loan is paid off

you
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Take a nice,

deep
breath!



That's what your grace period is for – a time to plan before you start making principal and interest payments on your loans.

What's principal and interest?

Principal is the amount you borrowed plus any Unpaid Interest that's been added to it.

Interest is the amount you're charged for borrowing the money. Your payments after your grace period will include both.



Key terms

Interest rate

- The rate charged to borrow money
- The higher the interest rate, the higher the total loan cost

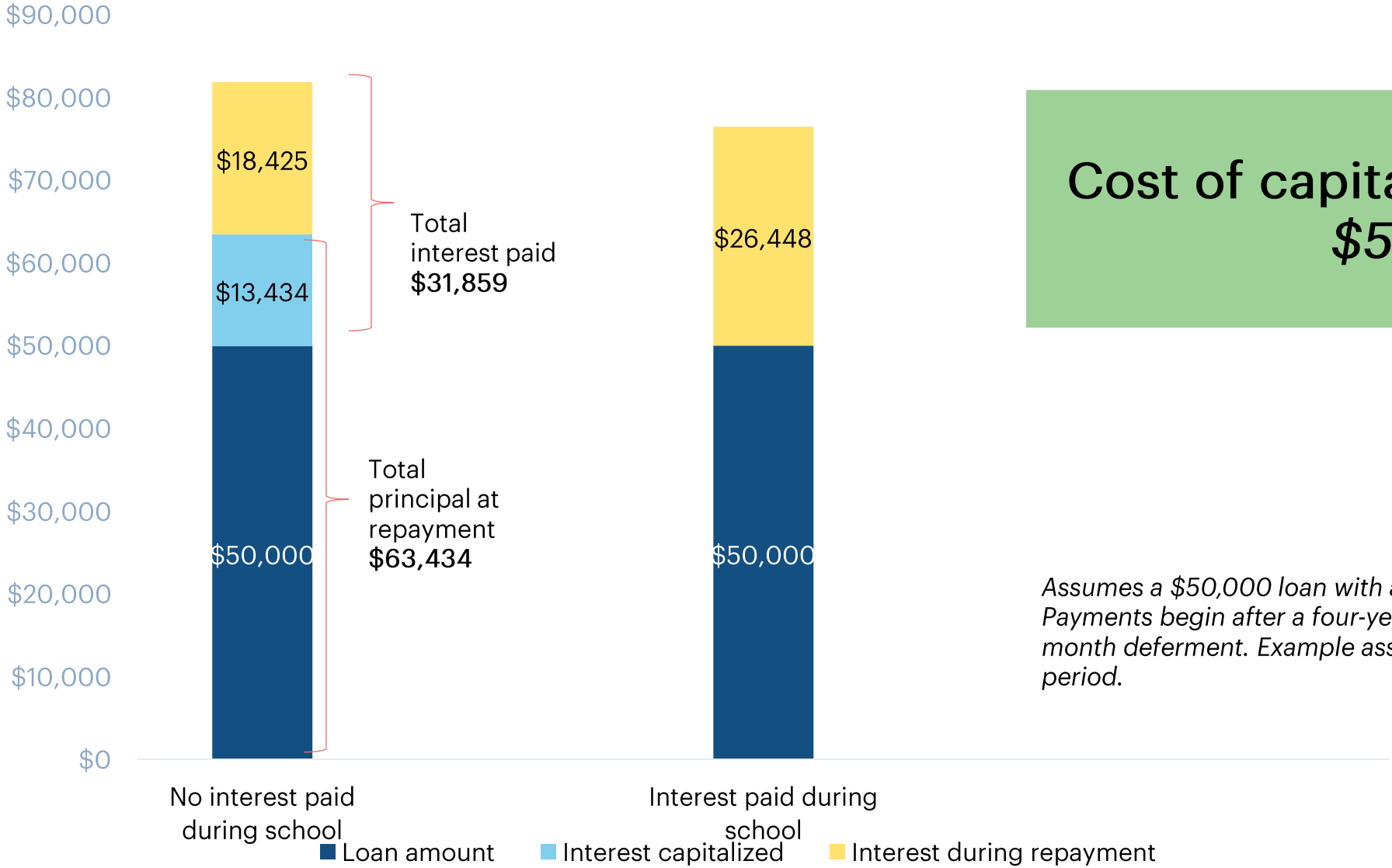
Interest capitalization

- Occurs when unpaid interest is added to the principal amount of the loan, increasing the principal amount that's left

Repayment incentives

- Interest rate reductions
- Credit to loan balance
- Some benefits and repayment incentives impose eligibility requirement

The cost of interest capitalization



**Cost of capitalized interest:
\$5,411**

Assumes a \$50,000 loan with an interest rate of 5.30%. Payments begin after a four-year in-school period and a six-month deferment. Example assumes a 10-year repayment period.

Know what you



owe

Make a list of your student loans

- Figure out if they're federal or private loans
 - Write down your servicers and their contact info
- Gather your loan documents such as promissory notes, disclosures, statements, emails, and letters in a central location or file
- Find out when your loans will enter repayment, what your monthly payment will be, and when they're due



Finding your loans

Looking for info on your federal student loans?



Check out
StudentAid.gov

Trying to find your private student loans?

Contact your private loan lender or servicer

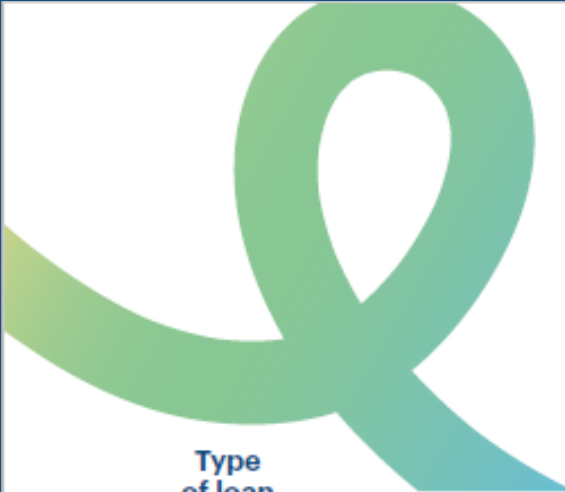
Check your loan documents or communications you've received

Also, can be found on your credit report

Request a copy of your credit report at AnnualCreditReport.com

Using a spreadsheet or a tracking sheet can really help

You can download ours at:
salliemae.com/studentloanchecklist



Track your loans

Use this spreadsheet to record the information you'll need for paying back your federal and private loans.

Type of loan (federal/private)	Servicer	Servicer contact info	Loan amount	Interest rate	Grace period (If yes, how long)	Action date*

Repayment options for federal loans

You have options when it comes to how you repay your federal student loans.

Some things to consider:

- Are you planning on continuing your education?
- Will you work in a field where you may qualify for Public Student Loan Forgiveness (PSLF)?
- Do you need a repayment plan that takes your income into consideration when setting your monthly payment?
- Do you want to consolidate your loans?

Whether you choose to use the standard 10-year repayment plan or want to explore income-based plans, it's important to consider the details



StudentAid.gov offers a loan simulator to explore your payment options – *check it out!*

Your to do list

- Keep a file of all your loan documents
 - Promissory notes
 - Disclosure statements
 - Annual debt letters
 - Exit interview information
- Open and read student loan mail and email
- Bookmark student loan servicers' websites
- Notify loan servicers of name & address changes
- Keep important numbers handy



Track your

money

Loan payments will be a part of your monthly expenses. Make a budget to figure out how much you'll need to cover bills – and how much you'll have left over.

Download a simple budget sheet at salliemae.com/budget or use a budgeting app

Create a budget

Grab a

discount

- Check out what's available for you, such as auto debit discounts offered by your lender

Paying off loans early

- Student borrowers can always prepay federal student loans without penalty
- Some private student loans can be prepaid without penalty as well. Check with your student loan servicer for details
- After making your scheduled monthly payments, consider making additional payments toward loans that have the highest interest rates and/or most frequent capitalization to save you money
- Loan payments are typically applied to



That just

*hired
feeling...*

Use the resources available such as:

- Handshake
- Career Services at your school
- Student support services

Add QR
code for our
Handshake

Scan to join for free

That just

*hired
feeling...*

Use the resources available

- Check with your student loan servicer for info on deferment and forbearance available to support your residency/fellowship/clerkship

Tax deductions for student loan interest

- Borrowers may be eligible for income tax deductions for student loan interest
 - There are eligibility rules, including income limits
- The student must be you, your spouse, or your dependent
- Voluntary payments of interest during school, deferment, or forbearance may be eligible too

For more information, see IRS publication 970 or consult a tax advisor

Sallie Mae does not provide, and these materials are not meant to convey, financial, tax, or legal advice. Consult your own attorney, tax advisor, or financial advisor about your specific circumstances.

Understand your federal loan deferment and forbearance options

Federal loans offer several repayment options as well as deferment and forbearance options.

- Check out studentaid.gov for details
 - Take advantage of the Loan Simulator to review repayment strategies
- Contact your loan servicer to apply for deferment or forbearance
 - Remember to complete the necessary forms and return promptly to your servicer
 - Stay in the know
 - Sign up for electronic communications

Private loan repayment

- Unsubsidized for the life of the loan
- Repayment term varies by lender
- Generally, have a grace period prior to the time the student borrower is required to make principal and interest payments
- Residency and internship deferments may be available
- Forbearance and/or deferment may be available
 - Contact your loan servicer for details



Tip

Refer to your promissory note, lender, or servicer to determine your available options

Work your plan

Borrow responsibly

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

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Questions?

