



**LOAN EXIT
COUNSELING
& REPAYMENT**

UNIVERSITY OF
DELAWARE

Before You Start

Determine who holds your loans

- Federal loans – www.studentaid.gov/manage-loans/repayment/servicers
- Private loans – servicer varies by individual lender

Federal student loan borrowers required to complete Exit Counseling upon graduation or dropping below half time

www.studentaid.gov/exit-counseling/

Loan Repayment Checklist:

www.studentaid.gov/sites/default/files/student-loan-repayment-checklist.pdf

Before You Start

Ensure contact information is updated with lender

- Most student loans default within the first few months of repayment period

Keep track of interest rates

- Target higher interest rates for early repayment when possible

Calculate expected loan payment

www.finaid.org/calculators

Grace Period – No Repayment Required

Determine your loan grace period

- Direct student loans (through FAFSA) - 6-month grace period
- Private student loans - 6-months (dependent on lender)

Interest continues to accrue on any unsubsidized loan during grace period

Grace period can only be use used once

Postponing Repayment – *Federal Loans*

- Deferment: enrolled in a degree program on at least half-time basis
 - Includes students going from undergrad to graduate school
 - Interest accrues only on unsubsidized loans
- Forbearance: special provisions like economic hardship
 - Can receive up to 12 months at a time
 - Interest accrues on subsidized and unsubsidized loans
 - Go to studentaid.gov to learn more
- **Private student loans** may or may not offer deferment/forbearance. Contact your lender for additional information.

Student Loan Consolidation

- Federal loan consolidation
 - Consolidate various federal loans
 - e.g., Direct Student
 - May be eligible for Public Service Loan Forgiveness
 - Additional info:
www.studentaid.gov/app/launchConsolidation.action
- Private loan consolidation
 - Cannot consolidate federal and private loans
 - Creates single loan payment
 - Resets loan terms but may reduce payment
 - May lower interest rate
 - Additional info at
www.finaid.org/loans/privateconsolidation/



REPAYMENT OPTIONS

Federal Loans

- Standard repayment period is 10 years
- Extended repayment up to 25 years
 - Must owe over \$30,000
- Income-based repayment ties payment to 10% or 15% of earnings
 - May be eligible for Public Service Loan Forgiveness
- Additional info:
www.studentaid.gov/manage-loans/repayment/plans

Private Loans

- Repayment options may vary. Contact your lender for more information

Loan Forgiveness – Federal Loans*

Public Service Loan Forgiveness

- For government and non-profit work
- Only available after 10 years of repayment while working full-time for qualified employer
- Forgiveness of remaining balance of loan after 10 years of repayment

Teacher Loan Forgiveness

- Available after 5 years teaching full-time in low-income schools
- Forgiveness of up to \$17,500 of Direct Loan borrowing

Total and Permanent Disability or Death

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

*Private loans may or may not offer loan forgiveness. Contact your lender for more information.

Other Considerations

Create a reasonable budget and stick to it:

www.moneyunder30.com/budgeting-in-your-20s

Understand and monitor your credit score:

- Dictates your cost of borrowing

- Free copies of credit report available at

www.annualcreditreport.com

Use credit cards responsibly

Explore financial literacy courses

- www.khanacademy.org/college-careers-more/personal-finance



**STAY FOR THE
Q&A SESSION**

Student Financial Services
udel.edu/sfs

Contact Us
udel.edu/askSFS
(302) 831-2126

