



Excellence is just the beginning.

Rush University

Office Of Student Financial Aid Exit Counseling

Office of Student
Financial Aid
2024



Master Promissory Note (MPN)

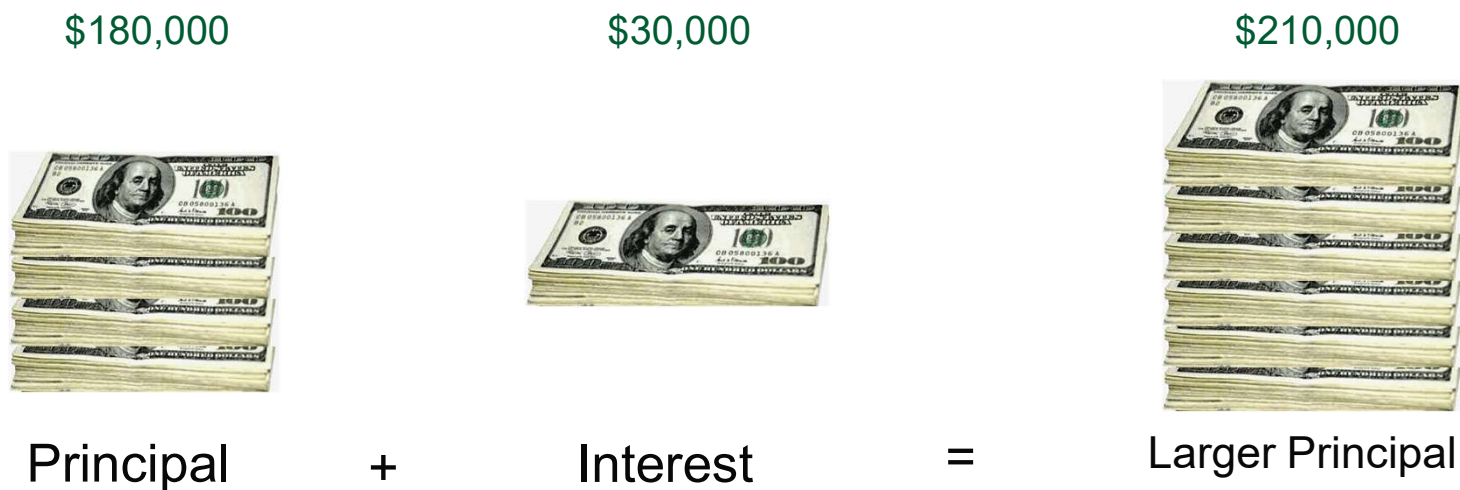
- Legal agreement between the student and lender
- The MPN is a simplified contract for Federal Direct Student Loans
- Contact your lender/servicer for MPN copies

Grace Period

- Time between when the borrower graduates/leaves school/drops below half-time enrollment and enters repayment
- No payment required during this time
- Timeline
 - 6 months for federal and institutional loans
 - 9 months Federal Perkins Loans, Federal Nursing Loans, and Nurse Faculty Loan Program

Capitalization

- Interest begins to accrue when your loan disburses
- At the end of the year, **all unpaid interest is added to the outstanding principal**
- Occurs initially when you enter repayment, and every year after that



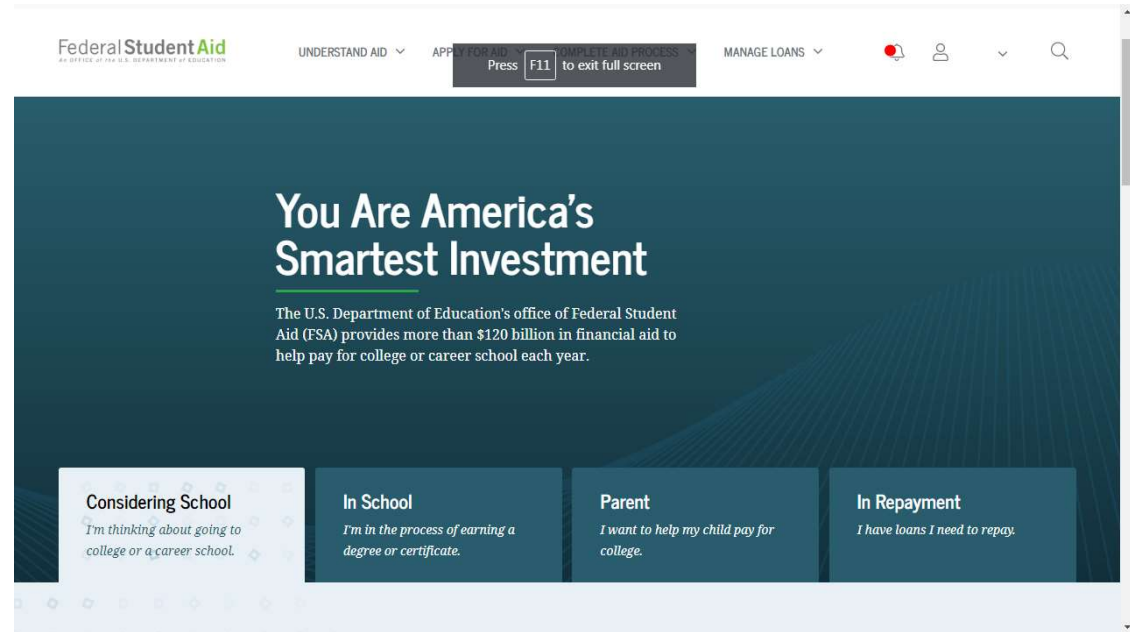
Lender vs Servicer

- Lender
 - Institutions that funds your student loans
 - Examples: Discover, Direct loans, Rush
- Servicer
 - Institution that administers and collects loan payments
 - Examples: Sallie Mae, Nelnet, Heartland ECSI
 - #1 contact for your loan and repayment information

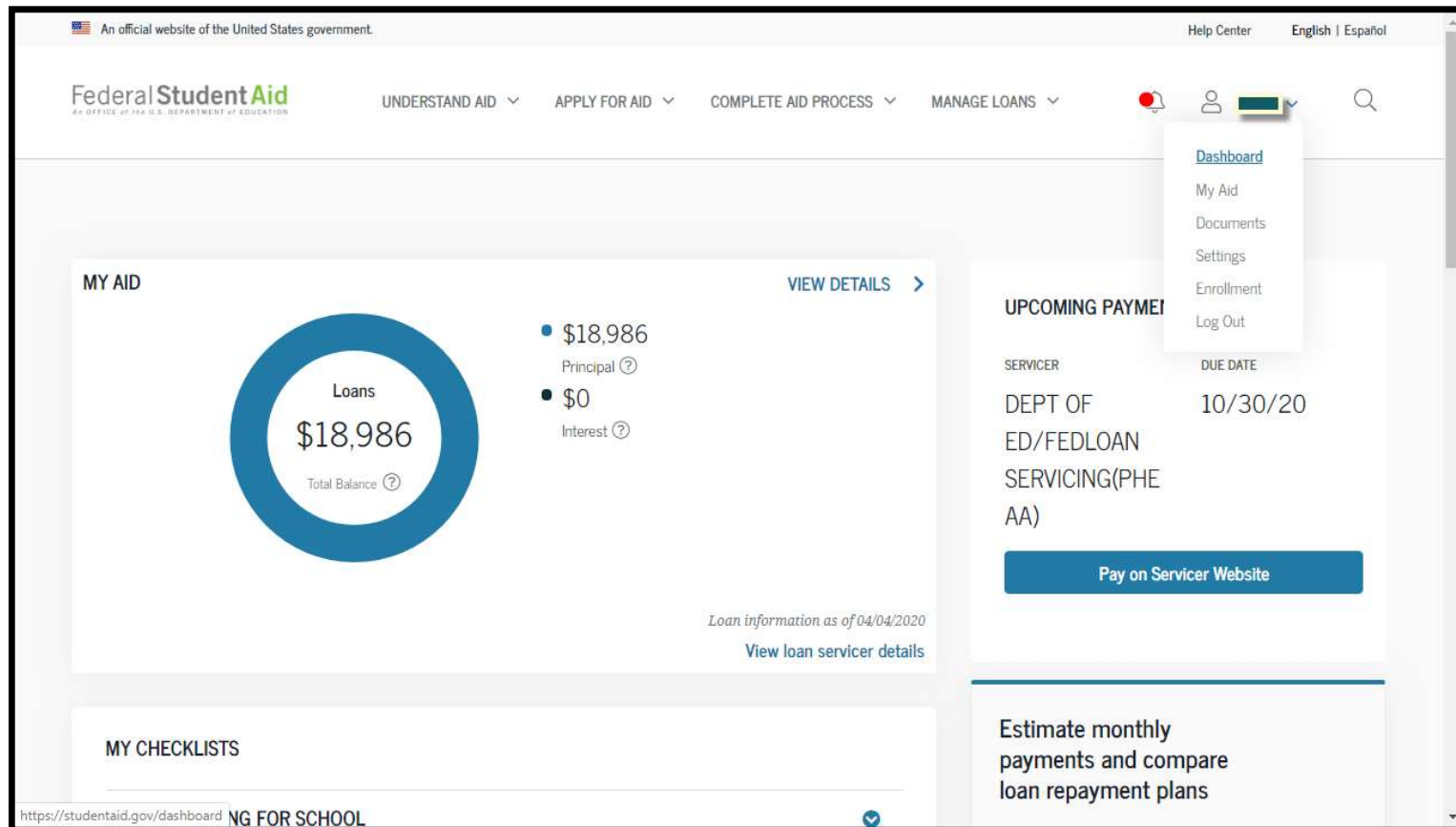
Read all mail / emails from your Lender and Servicers

Finding Loan Information

- Visit the Federal Student Aid
 - <https://studentaid.gov/>
- Federal & Perkins loans
- Loan Servicer
- Login with your FSA ID
- Updated by Servicers



Dashboard Summary Screen



FSA Loan Detail


FederalStudentAid
AN OFFICE of the U.S. DEPARTMENT of EDUCATION


UNDERSTAND AID ▾

APPLY FOR AID ▾


COMPLETE AID PROCESS ▾

MANAGE LOANS ▾






▾



LOANS SERVICED BY

DEPT OF ED/FEDLOAN SERVICING(PHEAA)


TOTAL BALANCE
\$18,986

NEXT PAYMENT ON
10/30/20

Pay on Servicer Website

REPAYMENT PLAN : Income-Contingent Repayment Plan (ICR)

HIDE DETAILS ^

Sort By

Loan Date

Subsidized Loan	LOAN DATE	LOAN STATUS	REPAYMENT PLAN	INTEREST RATE	TOTAL BALANCE
UNIVERSITY OF ILLINOIS AT CHICAGO	9/3/08	Forbearance	Income-Contingent Repayment Plan (ICR)	6.00%	\$3,342
VIEW LOAN DETAILS >					
Subsidized Loan	LOAN DATE	LOAN STATUS	REPAYMENT PLAN	INTEREST RATE	TOTAL BALANCE
UNIVERSITY OF ILLINOIS AT CHICAGO	9/10/10	Forbearance	Income-Contingent Repayment Plan (ICR)	4.50%	\$482

Private Loans

- Contact your lender for details on your loan information
- Will appear on credit reports [not on Federal Student Aid]
 - Pull a free annual credit reports online at: www.annualcreditreport.com
 - Equifax
 - Experian
 - TransUnion

Institutional Loans

Loan Servicer: Heartland ECSI

Heartland ECSI Customer Servicer: 888-549-3274

- **Types of Loans**

- Federal Perkins
- Federal Nursing Loans
- Health Professions Loans
- Loans for Disadvantaged Students
- Primary Care Loans
- Berner Foundation
- Nurse Faculty Loans and RUSH
Institutional Loans

Contact Information

Loan Lender: Rush University

Contact: Mirielle Ulhoa

Mirielle_ulhoa@rush.edu

SBO@Rush.edu

1700 West Van Buren Suite 283

Chicago, IL 60612

Postponement

Contact your servicer to (re)apply

Deferment

- Must prove:
 - Economic hardship
 - In-school
 - Unemployment (Up to 3 years)
 - Military deployment OR
 - Peace Corps/AmeriCorps
- Doesn't affect credit
- No interest accrual for subsidized Federal or Perkins loans

Forbearance

- Granted at servicer's discretion
- Illness or financial hardships
- Interest still accrues
 - May be required to pay
- Doesn't affect credit
- Get it in writing

- **Continue making payments until postponement is finalized!!**

Borrower R & R

Rights

- To seek deferment, forbearance, loan discharged/ forgiven if eligible
- Prepayment without penalty
- Request written loan statements
- Alternative repayment schedule and plans

Responsibilities

- Repayment of all loans
- Entrance & Exit Counseling
- Providing servicers with notification of:
 - Name, address, phone number, or Social Security change [10 days]
 - Late payment
 - Change in ability to pay



Standard Repayment Plans

Repayment Plans

Standard

- Fixed monthly payments for 10 years (120 payments)
- Relatively higher monthly payments -
Paying less interest over time
- Least expensive plan overall
- Not eligible for PSLF

Extended

- Fixed monthly payment for 25 years
- Must have $\geq \$30,000$ in outstanding
Federal Direct Student Loans
- Relatively smaller monthly payments
= paying more in interest
- Not eligible for PSLF

Repayment Plans (cont'd)

Graduated

- Loan term ranges from 10 or 30 years
- Initial lower payments, increases every 2 years
- Good for borrowers who may not be able to afford higher monthly payments initially (standard plan) but foresee income increasing.
- Not eligible for PSLF



Income-Driven Repayment Plans

Income-Driven Repayment (IDR) Plans

IDR plans base your monthly payment amount on your income and your family size.

- Saving on a Valuable Education (SAVE) Plan—formerly the REPAYE Plan
- Pay As You Earn (PAYE) Repayment Plan
- Income-Based Repayment (IBR) Plan
- Income-Contingent Repayment (ICR) Plan

Income-Driven Repayment Plans Frozen

As of 10/02/2024:

A federal court issued an injunction preventing the U.S. Department of Education from implementing parts of the Saving on a Valuable Education (SAVE) Plan and other IDR plans, including—for example—SAVE's monthly payment formula and loan forgiveness under the SAVE, PAYE, and ICR Plans.

Income-Driven Repayment Plans Frozen

Each plan's current application and enrollment availability is as follows:

- **SAVE (previously known as REPAYE):** Can apply; will be placed in forbearance
- **Income-Based Repayment (IBR):** Can apply
- **Income-Contingent Repayment (ICR):** No new enrollments, unless a borrower has a consolidation loan that repaid a parent PLUS loan
- **Pay As You Earn (PAYE):** No new enrollments

What You Can Do:

Apply for an Income Driven Repayment Plan through <https://studentaid.gov/idr/>. Once your application is completed and sent to your loan servicer, more information will be given to you regarding your loan repayment status.

Repayment Estimator

- Calculate estimated monthly payments across several repayment options
 - <https://studentaid.gov/loan-simulator/>

How to Apply for the Repayment Plan

- Early applications will be rejected
 - Contact loan servicer the month your loans begin repayment.
- Information needed to apply
 - Submit tax and household size information as requested on the application
 - 30-60 days worth of pay stubs may be requested if you did not file taxes
- Electronic applications available on studentaid.gov
- (Re)Apply annually

Direct Loan Consolidation

- Consolidation - merging each loan into ONE new loan
 - New Master Promissory Note (MPN)
 - New weighted average interest rate
 - Rounded UP to the nearest 1/8%
- Qualifying loans for consolidation
 - FFEL, Direct, Perkins, Nursing
- Able to choose which loans to consolidate
- Please **DO NOT** consolidate privately
 - Lose federal loan rights including loan forgiveness options, etc.

Public Service Loan Forgiveness

- Must make 120 loan payments to Direct Loans in an eligible repayment plan
 - SAVE Plan
 - Income Based-Repayment (IBR)
 - Pay As You Earn (PAYE) Repayment Plan
 - Income-Contingent Repayment (ICR) Plan
 - Standard 10-year Repayment (normally loans will be paid off before they are forgiven if you stay in this plan for all 120 payments)
- Must work in Public Service
- Full-time employment (as defined by employer)
 - Does not have to be continuous work
- Payments made after October 1, 2017 count toward the 10-year repayment.

Public Service Loan Forgiveness

What is considered Public Service?

- Non-profit, tax exempt, 501(c)(3) organizations
- Federal, state, local or tribal government
- Private organizations providing a public service
- Direct questions to Mohela: <https://www.mohela.com/>
- For repayment plans that qualify for Public Service Loan Forgiveness: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>

Public Service Loan Forgiveness

Eligible loans include:

- Federal Direct Sub and Unsub loans
- Federal Direct Consolidation loans
(excluding any FFEL spousal consolidation amounts)
- Federal Direct PLUS loans
- Federal Perkins loans (when consolidated into the Direct loan program)
- Bank-based FFEL loans (when consolidated into the Direct loan program)

The PSLF Program was created by Congress and the program is subject to change or discontinuation based on new laws that are passed

- Keep ALL records of monthly payments, screenshots, e-mails, etc.

Other Types of Loan Forgiveness/Repayment

- Medical Institutions
 - National Health Service Corps – serving areas with inadequate medical care
 - National Institutes of Health (NIH) – clinical research
- AAMC lists programs:
 - services.aamc.org/fed_loan_pub
- Volunteer work
 - AmeriCorps
 - Peace Corps
 - VISTA

Can't Make Payments?

- Contact loan servicer right away
 - Alternative repayment plan
 - Deferment
 - Forbearance
 - Reduced payment

Consequences of Default

- Loans become delinquent on 1st day of missed payment
- Default occurs when you fail to make a payment for 270 days
- No longer qualify for deferment/forbearance
- Ineligible for more federal student aid
 - Contact your servicer for eligibility requirements
- Entire balance due
 - Loan + interest + additional costs of collection
- Garnished wages, withheld tax refund
- Damaged credit score
- **Professional license could be revoked**

Additional Information

- Maintain contact with your servicers
- If you initiate contact, the lender must provide:
 - Repayment options & how to change plans
 - Requirements & costs of postponement
 - Options to avoid default
- Conflicting information from lenders & servicers
 - US Dept. Of Ed's Ombudsman
 - <https://studentaid.gov/feedback-ombudsman/disputes/prepare#ombudsman-help>
 - 1-877-557-2575

Complete Exit Counseling

- <https://studentaid.gov/app/counselingInstructions.action?counselingType=exit>
- Complete within 30 days of graduating
- Provides important information you need to prepare to repay your federal student loan(s).
- Useful information to have
 - Loan debt information
 - Current or expected income
 - Living expenses

Thank you!

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