

# Student Loan Repayment Questions and Answers



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## When is exit counseling required?

Federal regulations require that students must complete loan exit counseling when they borrow from federal student loan programs and: are graduating from Bethel University, do not register for classes at Bethel University (but have not graduated), register for or drop below half-time status, or transfer to another college or university.

## Where can I complete on-line exit counseling or receive a Federal Loan Exit Brochure?

Direct Loan exit counseling can be completed at <https://studentaid.gov/>. A Direct Loan exit guide can also be found online at: <https://studentaid.gov/sites/default/files/exit-counseling.pdf>

## Where can I get a listing of my Federal Student Loans?

You can access the studentaid.gov website to view the details of all your federal student loans. After logging in you will be able to view the type and amount of each federal loan borrowed, the loan status, and the name, address and telephone number of the loan holder—details that may come in handy now that you are ready to begin repayment. To view your loan history, you will be asked to login using your FSA ID and password. If you need help with your account username or password (FSA ID) please contact the Federal Student Aid Information Center (FSAIC): <https://studentaid.gov/help-center/contact>

## I received a letter indicating my loan has been sold. What should I do?

Many of the loans students borrowed through individual banks utilizing the Federal Family Education Loan Program (FFEL) were sold to the U.S Department of Education. Whenever a loan is sold or otherwise transferred, you must continue to pay on your student loan. You also must direct all future correspondence to the new holder and/or servicer of your loan. Keeping track of all of your loans is an important task, and that is why utilizing the Studentaid.gov website is such an important tool.

## What do I do about private student loans that I have borrowed other than Stafford or Perkins?

Exit counseling is generally not required for alternative student loans (other than the Minnesota SELF loan). Information regarding repayment will come from Firstmark Services and SELF loan exit counseling should be completed at: [https://www.selfloan.state.mn.us/ssl/online\\_counseling/welcome.cfm](https://www.selfloan.state.mn.us/ssl/online_counseling/welcome.cfm) Students should check with their lender(s) to receive repayment information and understand their alternative loan repayment obligations. All loans are reported to credit bureaus. So, if you have somehow lost track of your alternative loans, you may want to consider obtaining a credit report. To obtain a free credit report visit [www.annualcreditreport.com](http://www.annualcreditreport.com)

## What is a Grace Period?

Each of your Subsidized and Unsubsidized Federal Direct student loans has a six month grace period. The grace period is a specified amount of time after you graduate or drop to less than half-time, in which no principal payments are required. No interest is charged during the grace period on Subsidized Direct student loans if they were first disbursed prior to July 1, 2012 or after July 1, 2014. Interest is charged on Unsubsidized Direct Loans during the grace period. Unpaid interest (if you have not paid it while enrolled), is capitalized (added to the principal balance of your loan) at the end of the grace period. There is no grace period for Graduate PLUS loans.

## What different types of repayment plans are available?

Unless you indicate otherwise, the servicer of your loans will select the Standard Repayment Plan for the repayment of your loans. Under this plan you will pay a fixed amount each month for up to 10 years. The minimum monthly payment is \$50/month, but for most borrowers the payments will be higher than the minimum in order to repay the loan within the required time period. Extended Repayment (10 to 25 year term), Income-Based Repayment plans (payments based on income or a percentage thereof) or Graduated Repayment (low payments are increased every two years) may be available to you. You can get more information about these plans and also calculate your estimated payments under each plan by going to studentaid.gov. Remember, however, that the longer it takes you to repay your loan, the higher the overall cost, as the interest continues to accumulate. Please contact the servicer of your loan to discuss payment plan options.

## Can I repay my loan early?

Yes, there is no penalty for early repayment. You can choose to pay your loan off early at any time. If you have more than one student loan and/or servicer, please make sure to specify which loan your prepayment should be applied to.

### **Are there any websites I can visit that will provide helpful repayment information?**

Visit the Loan Simulator on the Studentaid.gov website to review loan repayment options based on your needs and goals: <https://studentaid.gov/loan-simulator/> You also can learn about loan forgiveness options here: <https://studentaid.gov/manage-loans/forgiveness-cancellation> It also has a list of loan servicer contact information including web addresses and phone numbers. You will need to contact your servicer directly for information on repayment, deferment, forbearance or other repayment questions. <https://studentaid.gov/manage-loans/repayment/servicers>

### **I'm unable to make my loan payment this month...what should I do?**

If you think you might have a problem making a scheduled payment on your loan, contact the servicer of your loan(s) right away to discuss other repayment plan options and whether you are eligible for a deferment or forbearance. You are delinquent if your monthly payment is not received by the due date. Default occurs when a loan is 270 days delinquent. Contacting your lender(s) right away can help to avoid this unfavorable outcome. If you have a dispute that you are unable to resolve with your federal loan servicer find out how to resolve disputes: <https://studentaid.gov/feedback-ombudsman/disputes/common-issues>

### **What is forbearance?**

Forbearance is a temporary postponement or reduction of loan payments for a specified period of time. Forbearance can help you during times when making your monthly payments is difficult and you are not eligible for a deferment. Some common reasons for forbearance are illness, financial hardship, or serving in a medical or dental internship or residency. Forbearance is granted at the discretion of the lender.

### **What is a deferment?**

Deferment is a temporary suspension of your monthly loan payment. There are many types of deferments which are available such as in-school, economic hardship and military deferments. Please contact your lender for further information. In most cases you will need to submit a deferment request along with documentation of your eligibility for the specific deferment.

### **What is loan consolidation?**

Consolidation is the combining of your federal student loans into one loan. The main benefit is the convenience of making a single monthly payment. Consolidation also generally extends the repayment period, resulting in a lower monthly payment. This makes it easier to repay your loans; however, you will pay more interest if the repayment period is extended through consolidation. Also, when loans are consolidated the new interest rate on the consolidated loan is a weighted average of the loans being combined. Also, be aware as some of the cancellation options on the original loans may be lost.

### **Who should I contact about loan consolidation?**

For information on loan consolidation please go to <https://studentaid.gov>. Select Complete Consolidation Loan Application and Promissory Note under "In Repayment." To ask questions about consolidating before applying contact the Federal Student Aid Information Center (FSAID) at 1-800-433-3243.

### **Where is the contact information for the Federal Direct Stafford loans?**

You can locate the [servicer](#) and the contact information for your Federal Direct Stafford or Direct Graduate PLUS by logging into My Federal Student Aid at: <https://studentaid.gov/>

### **Are there conditions under which part or all of my Federal Stafford loans can be cancelled?**

Yes, under certain conditions your loans may be cancelled. A few of the typical reasons for cancellation would be permanent and total disability, bankruptcy, or death. Other options for loan forgiveness may be available to borrowers through the Public Service Loan Forgiveness or Teacher Loan Forgiveness programs. Borrowers who are interested in investigating these options should contact the servicer of their loans for further information or visit: <https://studentaid.gov/sa/repay-loans/forgiveness-cancellation>

### **How do I know if the amount of my student loan payments will be manageable?**

The first step is to calculate the total amount you will need to pay each month on your student loans. Repayment charts are available in the online Exit Counseling Guide for Direct Loan Borrowers, but you can obtain them elsewhere also. Contacting your lenders ahead of time will also help you to plan out the expected amount of your payments each month. The only way to know if your payments will be manageable will be to create a monthly budget. Determine what your monthly net income will be. From that deduct all of your expenses including your rent or mortgage, utilities, transportation, groceries car and health insurance, clothing etc. This will help you to determine if your payments will be at a manageable level. Student loan payments generally should not exceed 10-15% of your monthly income. Also visit the federal loan simulator at: <https://studentaid.gov/loan-simulator/>