



REPAYING YOUR STUDENT LOANS

THE UNIVERSITY OF CHICAGO

Student Loan Administration

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Repaying Your Student Loans

As you leave the University of Chicago, you probably have several questions about repaying your student loans. This document will discuss some of the basic issues, remind you of the federal regulations governing student loans, and provide you an easy reference guide. By taking the time to make yourself aware of your obligations now, you will avoid misunderstandings and save yourself time later.

Below you will find descriptions of the most important requirements you need to keep in mind. If you have questions or need assistance, please contact: The Student Loan Administration Office, 6030 S Ellis 2nd Floor, Chicago, IL 60637, phone 773-702-6061, or student-loans@uchicago.edu.

Student Loan Exit Counseling

As a student loan recipient, federal regulations require you to contact your lenders and attend an exit counseling meeting if you are leaving the University. The purpose of exit counseling is to inform you of your rights and obligations for repayment of your loan(s) and to review your loan portfolio.

Contact All Your Lenders

Your lenders do not automatically receive change of address information from the University. You must take responsibility for contacting all your lenders when you leave the University of Chicago, and informing them of any address change. If you have not heard from your lender, do not assume that all necessary information has been provided. If your lender does not have your correct address, your loan may be in default by the time you are contacted. *Always notify ALL your lenders whenever your name or address changes.*

Who are your Lenders?

As a result of the Health Care and Reconciliation Act of 2010, as of July 1, 2010, federal student loans under the Federal Family Education Loan (Stafford, PLUS, GradPLUS loans) program are no longer made by private lenders. Instead all new federal loans come directly from the Department of Education under the Direct Loan program.

Prior to July 1, 2010 Stafford, PLUS, GradPLUS loans were made by private lenders, i.e. Citibank, Sallie Mae, Bank of America.

After July 1, 2010 these loans, now referred to as Direct Stafford, Direct PLUS and Direct GradPLUS loans are made by the Department of Education.

Federal Perkins loans borrowed while a student at the University of Chicago are serviced by staff at the University of Chicago in the Student Loan Administration office.

Institutional Loans such as Pritzker Medical School loans are made by the University of Chicago and are serviced by staff at the University of Chicago in Student Loan Administration.

All Federal loans you borrowed, Stafford, GradPLUS, PLUS and Perkins are listed under the National Student Loan Database system. This database includes federal loans borrowed while attending other institutions. If you would like to check the interest rate, current balance or servicer information for any of the federal loans you have borrowed, visit the National Student Loan Database web site at: www.nslds.ed.gov You are required to create a Federal Student Aid username ID if you don't already have one.

Your Repayment Schedule

Each of your lenders will provide you with a repayment schedule for your loans that will specify when your first payment is due and the amount of your monthly payment. Read it carefully and be sure you understand it before you sign it. Your lenders will also provide you with a monthly billing statement or a coupon book.

Repayment Options

All Federal loans are set up on a standard repayment plan with fixed monthly payments that remain constant throughout the repayment period. However you have the option of requesting one of the following methods to repay your loans under the Federal Family Education Loan Program .

- *Standard Repayment Plan* – With the standard plan, you'll pay a fixed amount each month until your loans are paid in full. Your monthly payments will be at least \$50, and you'll have up to 10 years to repay your loans.
- *A Graduated Repayment Plan* – With this plan your payments start out low and increase every two years. The length of your repayment period will be up to 10 years, if you expect your income to increase steadily over time, this plan may be right for you.
- *The Extended Repayment Plan* - is for borrowers with outstanding principal and interest in Stafford Loans and/or GradPLUS loans, totaling more than \$30,000.00. The lender may schedule the borrower for standard or graduated installments over a period not to exceed 25 years.
- *An Income-Sensitive repayment plan* – (Allowed for loans borrowed under the FELP loan program only) begins with a low monthly payment that is adjusted annually based on your total expected monthly gross income. The maximum repayment period is 10 years. To qualify for this type of plan, you must provide your lender with evidence of yearly income. Your FELP lender will provide more details.
- *The Income Contingent Repayment Plan* – (ICR) (Allowed for loans borrowed under Direct Loans only) This plan gives you the flexibility to meet your Direct Loan obligations without causing undue financial hardship. Each year, your monthly payments will be calculated on the basis of your adjusted gross income (AGI, plus your spouse's income if you are married), family size and the total amount of your Direct Loans.
- *Income Based Repayment Plan* – Effective July 1, 2009
Income Based Repayment is a repayment plan for the major types of federal loans. Under IBR, the required monthly payment is capped at an amount that is intended to be affordable based on income and family size. If you repay under the IBR plan for 25 years and meet other requirements you may have any remaining balance of your loan(s) cancelled. For more information on the IBR plan visit: www.ibrinfo.org
- *Pay As You Earn Repayment Plan* – Effective December 21, 2012
You must be a new borrower as of Oct. 1, 2007, and must have received a disbursement of a Direct Loan on or after Oct. 1, 2011. To qualify, you must have a partial financial hardship. You have partial financial hardship if the monthly amount you would be required to pay on your eligible federal student loans under a standard 10 year repayment plan is higher than the monthly amount you would be required to pay under Pay As You Earn. Other restrictions apply to this plan. For more information visit <http://studentaid.ed.gov/repay-loans/understand/plans/pay-as-you-earn>

You must contact your lender/servicer if you opt to choose a plan other than the standard repayment plan.

Prepayment Can Save You Money

Federal student loan programs do not impose penalties for prepayment. If you pay more than the minimum payment, you will be charged less interest, long term. Because interest is always charged on the unpaid balance each month, the faster you reduce your balance, the less interest you will be charged. Sending in prepayment does not alter your payment schedule (i.e., you are still required to submit your payment the following month).

What Do I Do If I Can't Make Loan Payments?

If you cannot make your loan payments, don't panic! You cannot run away from your financial problems, so you need to consider your alternatives and make long-range financial plans. Most lenders/servicers are willing to work with a borrower during a difficult financial period. Contact your lender/servicer to make suitable payment arrangements during these times. The next step is to accurately assess your financial situation and determine a budget. For additional advice on loan repayment visit the following web site:

<http://www.finaid.org/loans/troublerepayingdebt.phtml>

You Are Responsible For Repayment

Even if you do not receive a payment schedule in advance, you must begin repayment at the required time. Always contact the lender if you don't receive a repayment schedule or a billing statement. Make payments EVEN if a billing statement is not received. Billing statements are a courtesy.

Penalties for Nonpayment

If you fail to make an installment payment when due, or to meet other terms of the promissory note, your loan will be considered in default. Because the penalties are severe, it is in your best interest to do everything you can to avoid default and protect your credit. Your default will be reported to national credit bureaus and may result in denial of educational transcripts, credit cards, car loans, home mortgages or other types of loan programs. You may be assessed late charges/penalty fees for late payment on all federal loan programs. In many cases, late charges/penalty fees will be charged each month that you are delinquent and will continue to be assessed until your account becomes current. Review your promissory notes closely to determine what fees are involved.

Your loan may be assigned to a collection agency, you may be sued in court, and your wages may be garnished from your paycheck. In addition to being required to pay the outstanding balance in full, you will be required to pay collection agency fees, court costs, and attorney fees. You will lose eligibility for deferments and for financial aid at any school.

An institution has the option of calling the full balance of a loan immediately due and payable (loan acceleration). This acceleration option can be even more severe if your account is placed with a collection agency and you are required to pay their contingency fee. Once acceleration has occurred, it will not be reversed. Note: Once a loan is accelerated you forfeit deferment and cancellation eligibility.

The Student Loan Administration office will place restrictions on transcripts of defaulted borrowers with loans managed by the University of Chicago. Restrictions will not be lifted until an account is made current. This will hamper future attempts to continue your education or to obtain gainful employment.

Federal student loans offer several deferment and forbearance options which can assist you in avoiding default. Whether the default was the result of a misunderstanding or the inability to pay because of financial hardship, you must contact your lender or servicer immediately to arrange to get your loan out of default.

Grace Periods

Under most loan programs, you will be allowed a grace period between the time your registration falls below half time and the time you have to begin repayment. Please note that this may differ from your actual graduation date. Refer to your promissory note for the length of grace period. It may vary from loan to loan. This is to allow you time to get established in a new job and a new living situation. Interest on all Subsidized Federal Stafford Loans will not begin to accrue until the end of the grace period; however, you are responsible for interest on all Unsubsidized Federal Stafford Loans from the date of disbursement. Interest on Federal Perkins Loans will not begin to accrue until the end of the grace period.

- Federal Perkins Loans – 9 month Grace Period
- Federal Stafford Loans – 6 month Grace Period
- Federal Consolidation Loans- 0 month Grace Period *

*Once loans are consolidated borrowers lose any remaining grace period. Borrowers receive their first bills within 60 days after the new Direct Consolidation Loan is made or when their deferment expires. If you are currently deferring a Direct Consolidation Loan, that loan will immediately go into repayment.

Refer to your Private loan promissory note for grace period information.

Note: If you take a leave of absence and have allowed your Stafford grace period to elapse you will not be allowed another grace period.

Credit Bureau Reporting

Federal Regulations require that institutions report each federal loan to national credit bureaus at the time of disbursement of the loan. NOTE: If applicable, adverse credit reporting may remain on your credit history for up to seven years after your loan is paid in full.

Deferments

If you qualify for deferment(s), you must contact the lender for a deferment form. You must see that the deferment form is completed and certified by the appropriate school or agency official and returned to the lender. Always follow up with your lenders to verify that deferments have been received and processed. You may be required to make your loan payments until your lender received the form. Be sure to indicate clearly what type of deferment you are requesting.

If for any reason you are not able to make on time payments, contact your lender and explain your situation. If you can demonstrate to the lender that you are willing but unable to pay (based on a full financial disclosure that the lender will require), you may be granted forbearance or a hardship deferment. During this period you may be allowed to postpone payment or make lower monthly payments. The interest continues to accrue during forbearance and the lender may require you to make interest-only payments

Note: Please return deferment applications for your Federal Perkins to the Student Loan Administration office. All other deferment forms are to be submitted to your designated lender.

Federal Perkins Loans

Federal Perkins Deferments

You may request to defer the repayment of your loan(s) and to interrupt your repayment period. To apply for a deferment of payments you must complete a deferment request form, and submit this form to the Student Loan Administration office at the University of Chicago. You should complete and mail this form immediately upon receipt of the first bill after you are eligible to request deferment of payments. If you are unable to make your loan payments and if you are not eligible for any of the following deferments, you should contact the Student Loan Administration office as soon as possible.

FEDERAL PERKINS LOANS MADE July 1, 1993 and AFTER. If you received your loan(s) on or after July 1, 1993, you are eligible to apply for deferment of benefits if you are:

1. Enrolled and in attendance as a regular student in at least a half-time course of study in an institution of higher education;
2. Enrolled and in attendance as a regular student in an approved fellowship program or approved rehabilitation training program for disabled individuals (does not include medical internship or residency program, except a residency in dentistry)
3. Unemployed and unable to find full-time employment (3-year limit);
4. Experiencing an economic hardship(3-year limit);
5. Engaged in services under the Cancellation Benefits; or
6. Serving in a residency program in dentistry

FEDERAL PERKINS LOANS MADE FROM JULY 1, 1987 THROUGH JUNE 1993. If you received your loan(s) within these dates, you are eligible to apply for deferment benefits for circumstances listed below. You may also apply for deferments listed above for loans made July 1, 1993 and after, but only for periods beginning October 7, 1998 and after.

1. Enrolled and in attendance as a regular student in at least a half-time course of study in an institution of higher education.
2. Serving in an internship program required for certification or a residency program in a hospital or health-care facility offering postgraduate training and leading to a degree/certificate awarded by an institution of higher education (2-year limit)
3. Active duty as a member of the Armed Forces or in the Commissioned Corps of the Public Health Service. (3-year limit)
4. Volunteer service under the Peace Corps Act or Domestic Volunteer Service Act of 1973 (Vista). (3-year limit)
5. Full-time volunteer for at least one year in a non-profit organization comparable to the Peace Corps. (3-year limit)
6. Temporary total disability of the borrower or spouse. (3-year limit)
7. Temporary total disability of dependent in your care preventing you from attending school or from being employed (3-year limit)
8. Active duty in the National Oceanic and Atmospheric Administration Corps. (3-year limit)
9. Mother of preschool age children returning or re-entering the work force and making less than \$1 more than the federal minimum wage. (12-month limit)
10. Parental leave (6-month limit) if you are pregnant or are caring for your newborn or newly adopted child, you are not gainfully employed or not attending school, and you have attended an eligible school at least half-time during the last six months.

Federal Perkins Loans Effective October 1, 2007

1. Regardless of when your loan was made, effective October 1, 2007, you may be eligible for a deferment if you are serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency.

Federal Perkins Loans Effective July 1, 2009

1. Due to scheduled changes in the federal regulations, if a single borrower's gross income exceeds 150% of the poverty guideline for the borrower's household, economic hardship deferment is not an option. For example, an annual salary of \$45,000 translates to \$3750 per month. Under current poverty guidelines, a single borrower living in the continental U.S. would have to earn \$1354 or less per month to qualify for Economic Hardship deferment. Married borrowers and/or those with several children aren't likely to qualify either.

Federal Perkins Loan Partial Cancellation Benefits

You are eligible to apply for partial cancellation of loan principal and accrued interest on your Federal Perkins student loan if you meet one of the eligibility criteria described below, and regardless of the provisions listed in your promissory note. However, if the service or employment for which you are claiming partial loan cancellation is not included in your promissory note, then the service or employment must start October 7, 1998 or after. In this case, teachers employed in a year-round program may qualify if the school year began on or after July 1, 1998.

Teacher Cancellations

A teacher is defined as one who is a professional employee of a school or school system working full-time and who is devoted to providing classroom instruction or related services in support of the educational program. Up to 100% of the outstanding loan principal balance may be cancelled for the following three types of teaching positions, at the rate of 15% the first and second year, 20% the third and fourth year and 30% the fifth year.

1. Full-time teacher in a public or nonprofit elementary or secondary school designated by the Secretary of Education as having a high concentration of low-income students and in which more than 30 percent of the school's enrollment is Title 1 children, according to the list published annually in the Federal Register. Full-time special education teacher, including teachers of infants, toddlers, children and youth with disabilities in a public or nonprofit elementary or secondary school system. The applicant must specify what percentage of students or clients in the class are disabled.
2. Teacher in a field of expertise such as mathematics, foreign languages, bilingual education or other fields where the state education agency determines there is a shortage of qualified teachers.

Employment Cancellations

Up to 100% of the outstanding loan principal balance may be cancelled for the following four types of employment services, at the rate of 15% the first and second year, 20% the third and fourth year, and 30% the fifth year. The employment must be full time and for a complete academic year or its equivalent.

1. Service as a law enforcement or corrections officer in an eligible local, state or federal agency. The agency must be publicly funded and its principal activities must pertain to crime prevention, control or reduction or enforcement of criminal law, and your principal responsibilities are unique to the criminal justice system. The applicant must be a sworn law enforcement officer, or a person whose principal responsibilities are unique to the criminal justice system.
2. Full-time employment as a nurse or medical technician providing health care services for 12 consecutive months. A medical technician is an allied health professional (working in fields such as therapy, dental hygiene, medical technology or nutrition) who is certified, registered, or licensed by the appropriate State agency. An allied health professional is someone who assists, facilitates, or complements the work of physicians and other specialist in the health care system.
3. Providing or supervising the provision of services to high-risk children from low-income communities and families of such children, and working full time in a public or private nonprofit child or family services agency for 12 consecutive months. NOTE: The U.S. Department of Education has determined that an elementary or secondary school system or a hospital is not an eligible employing agency. See Federal Regulation, 34 CFR 674.56(b)
4. Qualified professional provider or early intervention services working full-time for 12 consecutive months in a public or other nonprofit program authorized in Section 676(b)(9) of the Individuals with Disabilities Education Act.

Service Cancellations

1. Active duty service in the military in an area of hostilities that qualifies for special pay under Section 310 of Title 37 of the U.S. code. Up to 50% of the outstanding loan principal balance may be cancelled at the rate of 12 1/2% for each year of qualifying service. For service performed on or after 8/14/08, this same service is eligible to be cancelled at the following rates: 15% the first and second year, 20% the third and fourth year, and 30% the fifth year.
2. Volunteer service under the Peace Corps Act or Domestic Volunteer Act of 1973 (VISTA). Up to 70% of the outstanding loan principal balance may be cancelled, at the rate of 15% for the first two years of service, and 20% for the third and fourth year.
3. Full-time service in a Head Start program carried out under the Head Start Act (formerly under the Economic Opportunity Act of 1964), and operated for a complete academic year or its equivalent. The applicant must be a full-time educational staff member, and must not earn more than a comparable employee working in the local educational agency. Validation must be attached. Up to 100% of the outstanding loan principal balance may be cancelled, at the rate of 15% for each year of service.

Additional Cancellation Benefits – Service Performed on or After 8/14/08

1. Full-time service in a pre-kindergarten or child care program that is licensed or regulated by the state and is operated for a complete academic year or its equivalent.
2. Full-time attorney employed in a defender organization established in accordance with Section 3006A (g) (2) of Title 18, U.S. Code.
3. Full-time firefighters for service to local, State, or Federal fire department or fire district.
4. Full-time faculty member of a Tribal College or University, as defined in section 316
5. Librarians with a master's degree in library science and employed in an elementary or secondary school that is eligible for assistance under Part A of Title I of the Elementary and Secondary Education Act (ESEA) of 1965 or in a public library that serves a geographic area that contains one or more schools eligible for assistance under Part A of Title 1 of the ESEA.
6. Full-time speech language pathologist with a master's degree and working exclusively with schools that are eligible for assistance under Title I of the ESEA of 1965.

Federal Perkins Loan Rehabilitation

The Higher Education Amendments of 1998 created a Loan Rehabilitation program for Perkins Loans. Under this program you have the opportunity to request the rehabilitation of a defaulted loan. Effective August 14, 2008, rehabilitation means that, after making 9 on-time consecutive monthly payments of an amount agreed to by your lending institution, your loan will be returned to regular repayment status, the default will be removed from your credit history, and you will be again eligible to borrow Title IV funds.

Deferments under the Stafford and GradPLUS loan Program

You may have a right to postpone payments on your Stafford and/or Grad PLUS loans by deferring your loans. The most common reasons for deferment are:

1. Attending a school at least half-time, studying full-time in a graduate fellowship program, or participating in a full-time rehabilitation training program for the disabled
2. Unemployment - Actively looking for employment, but unable to find a full-time job (3-year limit)
3. Economic Hardship- experiencing financial difficulties (3-year limit)
4. Forbearance-if you have difficulty making payments, you may qualify for forbearance. Unlike other deferments, you are responsible for the interest on the loan during a forbearance
5. Serving active duty during war, military operation, or national emergency

Federal Teacher Loan Forgiveness Program under the Stafford Loan Program

The Federal Teacher Loan Forgiveness Program cancels your obligation to repay all or part of your outstanding principal and interest on Stafford loans or Consolidation loans you used to repay those loans.

You may qualify if you:

Teach at an elementary or secondary school and are highly qualified teacher.

- Teach elementary school and can demonstrate your knowledge and teaching skills in reading, writing, math and other areas of the elementary school curriculum; or
- Teach secondary school in a subject area relevant to your academic major; or
- You are a full-time elementary or secondary special education teacher, or you are a full-time secondary math or science teacher

Contact your lender/servicer to find out more about the Teacher Loan Forgiveness Program. You must complete a Department of Education approved Teacher Loan Forgiveness application, which is available from your lender.

Public Service Loan Forgiveness

Congress created the Public Service Loan Forgiveness Program to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, borrowers may qualify for forgiveness of the remaining balance due on their eligible federal student loans after they have made 120 payments on those loans under certain repayment plans while employed full time by certain public service employers. Since borrowers must make 120 monthly payments on their eligible federal student loans beginning after October 1, 2007 before they qualify for loan forgiveness, the first cancellations of loan balances will not be granted until October 2017.

Federal student loans eligible under the Public Service Loan Forgiveness Program

Any non-defaulted loan made under the William D. Ford Federal Direct Loan Program is eligible for loan forgiveness. The Direct Loan Program includes the following types of loans-

- Federal Direct Stafford/Ford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct PLUS Loans) – for parents and graduate or professional students
- Federal Direct Consolidation Loans (Direct Consolidation Loans)

Borrower Eligibility requirements for loan forgiveness

- The borrower must not be in default on the loans for which forgiveness is requested.
- The borrower must be employed full time by a public service organization-
 - When making the required 120 monthly loan payments (certain repayment conditions apply – see below):
 - At the time the borrower applies for loan forgiveness and
 - At the time the remaining balance on the borrower's eligible loans is forgiven.

Public Service Loan Forgiveness cont'd

Specific loan repayment requirements

- The borrower must have made 120 separate monthly payments after October 1, 2007 on the Direct Loan Program loans for which forgiveness is requested. Earlier payments do not count toward meeting this requirement. Each of the 120 monthly payments must be made for the full scheduled installment amount within 15 days of the due date.
- The 120 required payments must be made under one or more of the following Direct Loan Program repayment plans-
 - Income Base Repayment (IBR) (not available to parent Direct PLUS loan borrowers)
 - Income Contingent Repayment Plan (not available to parent Direct PLUS loan borrowers)
 - Standard Repayment Plan with 10 year repayment period
 - Any other Direct Loan Program repayment plan, but only payments that are at least equal to the monthly payment amount that would have been required under Standard Repayment Plan with 10-year repayment period may be counted toward the required 120 payments.

For more information about the repayment plans available in the Direct Loan program, please visit: <https://studentaid.ed.gov/sa/>

IMPORTANT NOTE: *The Public Service Loan Forgiveness Program provides for forgiveness of the remaining balance of a borrower's eligible loans after the borrower has made 120 payments on those loans. In general, only borrowers who are making reduced monthly payments through the Direct Loan Income Contingent or Income Based plans will have a remaining balance after making 120 payments on a loan*

What types of public service jobs will qualify a borrower for loan forgiveness under this program?

The borrower must be employed full-time (in any position) by a public service organization or must be serving in a full-time AmeriCorps or Peace Corps position. For purposes of the Public Service Loan Forgiveness Program, the term "public service organization" means-

- A federal state, local, or Tribal government organization, agency, or entity (includes most public schools, colleges and universities);
- A public child or family service agency;
- A non-profit organization under section 501(c) (3) of the Internal Revenue Code that is exempt from taxation under section 501 (a) of the Internal Revenue Code (includes most not-for-profit schools, colleges and universities);
- A Tribal college or university; or
- A private organization that is not a for-profit business, labor union, a partisan political organization, or an organization engaged in religious activities (unless the qualifying activities are unrelated to religious instruction, worship or services, or any form of proselytizing)

Note: To qualify for forgiveness of a parent PLUS loan the parent borrower, not the student on whose behalf the loan was obtained, must be employed by a public service organization.

Public Service Loan Forgiveness cont'd

How can other federal student loans qualify for loan forgiveness?

Although loan forgiveness under this program is available only for loans made and repaid under the Direct Loan Program, loans made under other federal loan programs may qualify for forgiveness if they are consolidated into a Direct Consolidation Loan. However, only payments made on the Direct Consolidation Loan will count toward the required 120 monthly payments.

The following types of loans may be consolidated into the Direct Loan Program:

-Federal Family Education Loan (FELP) Program loans, which include

- Subsidized Stafford Loans
- Unsubsidized Stafford Loans
- Federal PLUS or GradPLUS loans- for parents and graduate or professional students
- Federal Consolidations Loans (excluding joint spousal consolidation loans)
- Federal Perkins Loans
- Certain Health Professions and Nursing Loans

Note: To consolidate a Federal Perkins Loan or Health Professions/Nursing Loan into the Direct Loan Program, you must also consolidate at least one FELP Program loan or Direct Loan.

For more information about the Public Service Loan Forgiveness program visit:

www.studentloans.gov or www.ibrinfo.org

Loan Consolidation

Loan consolidation enables a borrower with loans from different lenders to obtain one loan, with one interest rate and repayment schedule. The following loan programs can be consolidated:

- Stafford Loans (subsidized and unsubsidized)
- Federal Perkins Loans
- Federal Grad PLUS Loans
- Federal PLUS Loans (parent loans made after October 16, 1986)
- Health Professions Student Loans (HPSL)

Loan Consolidation is not for everyone. Consolidation Loans are intended for those who need greater flexibility in repaying their student loans, or who seek to increase their monthly disposable income.

Interest rate is the weighted average between the loans being consolidated, rounded upward to the nearest whole percent.

ADVANTAGES

- Extended repayment period up to 30 years.
- Lower monthly payment amount.
- Convenient, single monthly payment.
- May help protect your credit rating.
- No prepayment penalty.

DISADVANTAGES

- Extended repayment period adds to total interest expense.
- Interest rate may be higher than rate for original loans. (Interest rate is the weighted average between the loans being consolidated, rounded upward to the nearest whole percent.)

To be eligible for loan consolidation, a borrower:

- must be in the grace period or in repayment status on all loans being consolidated
- if in default, must have made satisfactory arrangements to repay the defaulted loan
- must not have another consolidation loan application pending.

Federal Direct Loan Consolidation Program

The U.S. Department of Education offers a Federal Direct Loan Consolidation Program. Direct Consolidation allows you to combine one or more of your federal education loans into a new loan. For details or to apply, contact the U.S. Department of Education-Federal Direct Loan Consolidation Program at 1-800-557-7392 or <https://studentaid.ed.gov/sa/repay-loans/consolidation>. This website has an online calculator which will assist you in making a final determination as to whether consolidation is a good option for you. Additionally, it will illustrate various repayment options available to you.

Consumer Information

Tax Benefits available to borrowers

Take advantage of the student loan interest deduction on your federal income tax return. A deduction of up to \$2,500.00 may be taken, but this deduction will not be available as your household income reaches certain levels.

Contact a tax accountant or visit the IRS web site at www.irs.gov – Publication 970, Tax Benefits for Education.

FSA Student Loan Ombudsman Group

This office receives and reviews complaints from student loan borrowers. The goal is to accomplish an informal resolution of loan disputes with lenders or with the school that have not been resolved through normal channels. The Student Loan Ombudsman can be contacted by:

- Via on-line assistance: <http://studentaid.gov/repay-loans/disputes/prepare>
- Via telephone: 877-557-2575
- Via fax: 606-396-4821
- Via mail: U.S. Department of Education
FSA Ombudsman Group
P.O. Box 1843
Monticello, KY 42633

National Student Loan Data System

For assistance and information concerning all current federal loan holders you may contact: 1-800-433-3243 or www.nsls.ed.gov/

The web site will provide you information on:

- Loan types
- Disbursements
- Loan statuses
- Interest rates
- Lender Information
- Note: Private loans are not included as information on the NSLDS system

AmeriCorps

AmeriCorps is made up of three main programs: AmeriCorps State and National, AmeriCorps VISTA and AmeriCorps NCCC (National Civilian Community Corps). Only VISTA alumni who choose the stipend and have student loans may be eligible for up to 15% cancellation of student loans. To determine what student loans may be eligible for cancellation and to receive forms, contact the Department of Education at 1 800 433 3243. AmeriCorps VISTA members who choose the education award may not claim a partial cancellation.

For assistance and information concerning the AmeriCorps program visit: www.americorps.gov

Free Credit Report

www.annualcreditreport.com

GLOSSARY OF TERMS

Accrued Interest: Interest which accumulated on the unpaid balance of your loan's principal.

Amortization: The gradual reduction of loan debt by your monthly payments of principal and interest.

Capitalized Interest: Accrued interest which is added to principal. (Not available under Perkins/NDSL loan program.)

Credit Bureau: An agency which gathers and reports personal and credit information to lenders to whom you have applied for credit.

Default: The failure of a borrower to make an installment payment when due, or to meet other terms of the promissory note.

Deferment: A specified and limited period of time during which payments on principal and interest are not due.

Delinquency: Failure to make a payment when due.

Disbursement: An amount issued according to a schedule.

Forbearance: (Sometimes referred to as financial hardship) A period in which the holder of the loan permits lower monthly payments, due to the borrower's inability to make full payment of principal and interest

Guarantee Agency: A state or non-profit agency that administers a student loan insurance program.

Holder: The institution which has legal possession of your student loan.

Insurance Fee: A fee deducted from the principal which is sent to a guarantee agency or the government to offset processing costs and to act as default insurance.

Maturity Date: The date upon which your loan becomes due and payable.

Origination Fee: A fee, deducted from principal which is sent to the federal government as insurance against default.

Principal: The amount of the loan for which you applied and were approved, and the amount upon which interest will be charged.

Promissory Note: A legally binding contract in which you promise to pay the lender a sum of money at a specified time.

Repayment Schedule: A list of loan payments (usually monthly) detailing interest and principal over the life of the loan.

Servicer: The corporation which administers and collects your loan for the lender.

Helpful Contact Information

Federal Perkins, Health Profession Student Loans, University of Chicago Cash and Pritzker Medical Cash Loans:

Lender is: The University of Chicago

For deferments, inquiries, address or name changes contact:

UNIVERSITY OF CHICAGO

Student Loan Administration

6030 S Ellis 2nd Floor

Chicago, IL 60637

(773) 702-6061

Email: student-loans@uchicago.edu

Web: <https://sla.uchicago.edu/>

The University of Chicago is contracted with Heartland ECSI as an agent to bill for Federal Perkins, Health Profession Student Loans, University Cash and Pritzker Medical School Loans.

Send payments for federal Perkins, Health Profession, University Cash and Pritzker Medical School Loans to the Heartland ECSI lock box at:

The University of Chicago
P.O. Box 718
Wexford, PA 15090

Web site to view and manage your Federal Perkins, Health Profession, University Cash and Pritzker Medical School Loan accounts: <https://heartland.ecsi.net>

If you are having problems with accessing this web page you may contact our servicer,
[Heartland ECSI at 1 888-549-3274](tel:18885493274)

Contact Information for Stafford, GradPLUS and Private Loan, Lenders

Access Group

<http://www.accessgroup.org/repaying-your-loans/>

1-484-653-3300

American Education Services

<http://www.aessuccess.org/>

1-800-233-0557

Bank of America

<http://www.bankofamerica.com/studentbanking/>

1-800-344-8382

Citibank:

https://studentloan.citibank.com/s/slcsite/manage_your_account.asp

1-800-967-2400

Discover Student Loans

<http://www.discoverstudentloans.com/>

1-800-STUDENT (1-800-788-3368)

National Ed

<http://www.nationaled.net/>

1-800- 345-4325

BUREAU OF CONSUMER FINANCIAL PROTECTION

The Bureau of Consumer Financial Protection (CFPB) is a new federal regulator created by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (PL 111-203) that President Obama signed into law on July 21st, 2010. It is an independent Bureau housed in the Federal Reserve (the Fed) that will be charged with regulating consumer financial products. To ask a question, file a complaint, or share your story: go to www.consumerfinance.gov/complaint or call the toll-free number at 1-855-411-CFPB. For more information, visit their website. <http://www.consumerfinance.gov/>

Contact Information for the Direct Loan Program

The Department has entered into agreements with the following servicers to handle Direct Loan Servicing. For more detailed contact information visit <http://www.ifap.ed.gov/ifap/helpContactInformationDetailedList.jsp?lsc=2>

Cornerstone
www.MyCornerStoneLoan.org
(800) 663-1662

FedLoan Servicing (PHEAA)
www.myfedloan.org
(800) 699-2908

Granite State
www.gsmr.org
(888) 556-0022

Great Lakes Educational Loan Services
www.mygreatlakes.org
(800) 236-4300

HESC/Edfinancial
<http://www.edfinancial.com/DL>
(855) 337-6884

Missouri Higher Education Loan Authority
(MOHELA)
www.mohela.com
(888) 866-4352

National Education Loan Network (Nelnet)
www.nelnet.com
(888) 486-4722

Navient (formally Sallie Mae)
www.navient.com
(800) 722-1300

OSLA Servicing
www.osla.org
(866) 264-9762

Updated 01.05.17 DL