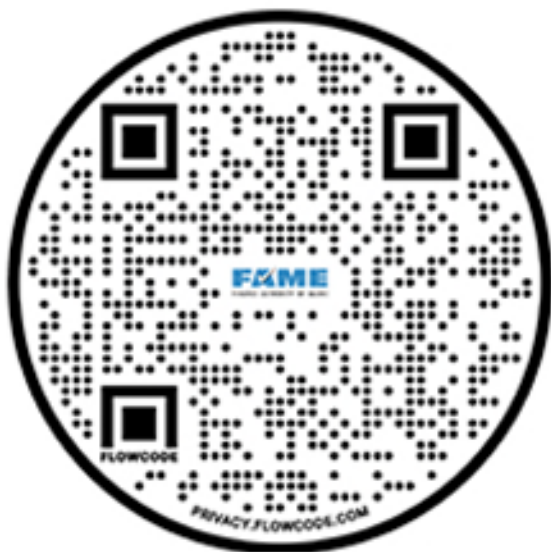


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Get Ready, Get Set, Repay!

Wednesday, October 11, 2023

PRESENTED BY

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College Access Counselor
FAME

Lizz Hilton
Client Services Analyst - Senior
ECMC Solutions



Agenda

- Repay Restart
- Repayment Plans and Tips
- Repayment On Ramp
- Fresh Start
- One Time Income Driven Repayment plan adjustment
- Loan Forgiveness
- Student Loan Tax Benefits





Repay Restart It's Really Happening!

- Interest started to accrue on September 1, 2023
- Bills/statements will arrive at least 21 days before your payment is due
- For some, first due date will be sometime in the month of **October 2023**
- **Three steps for successful repayment:**



Update



Plan

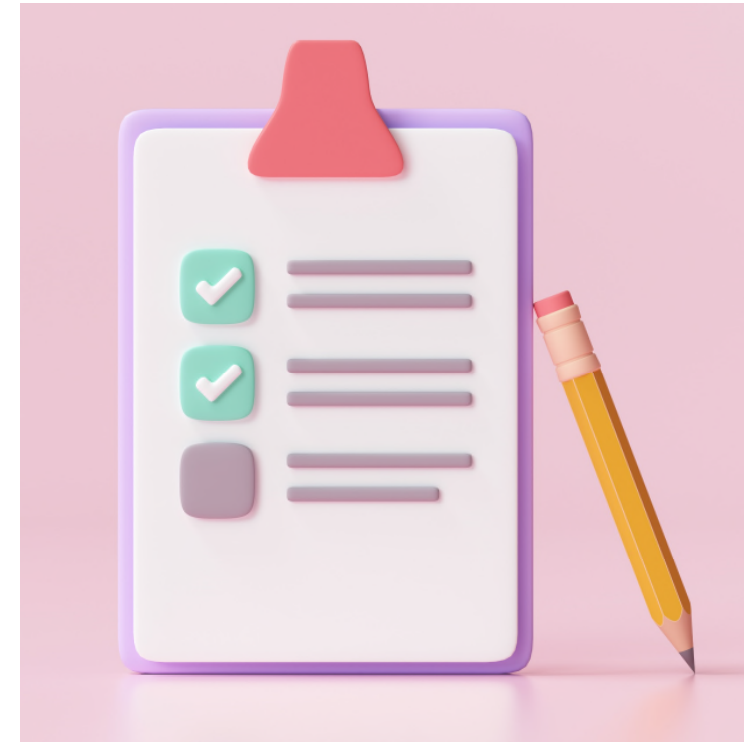


Ask for Help



Repay Restart UPDATE

- ✓ Use your FSA ID to log on to [StudentAid.gov](https://studentaid.gov) to confirm your loan servicer (it may have changed)
- ✓ Create and/or log on to your loan servicer account to **update contact information**
- ✓ Review your loan amount, payment due date, monthly payment, and current repayment plan





Repay Restart PLAN

- ✓ Start to add the student loan payment back into your budget. Use FAME's free financial wellness tool at [FAME.Enrich.org](https://fame.enrich.org)
- ✓ Determine and select a repayment plan that is best for your financial situation
- ✓ Enroll (or reenroll) in auto debit (.25% interest rate discount)
- ✓ Pay attention to any emails, calls, letters from your servicer – be diligent!
- ✓ Don't fall for student loan scams! **Talk to ECMC if you are unsure**
- ✓ Keep all documentation and call notes



Federal Student Loan Servicers



1-855-337-6884



1-888-866-4352



1-800-722-1300



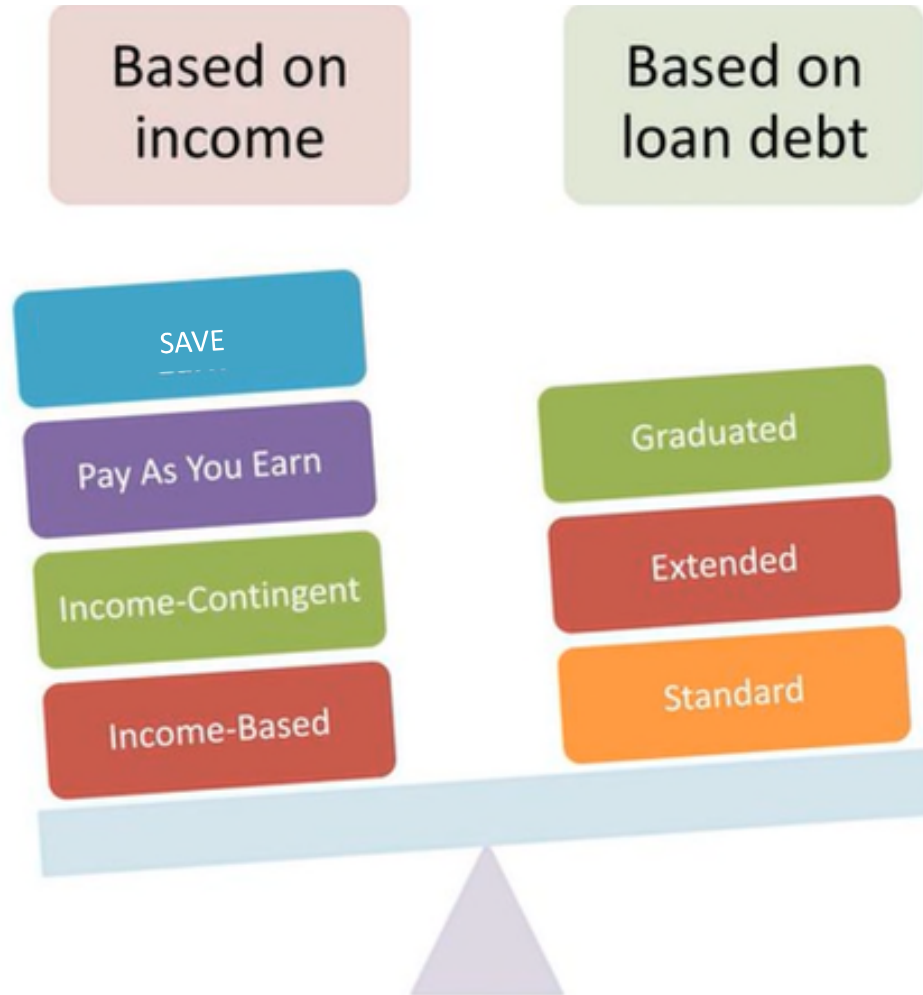
1-888-486-4722



1-866-313-3797



Repayment Plans

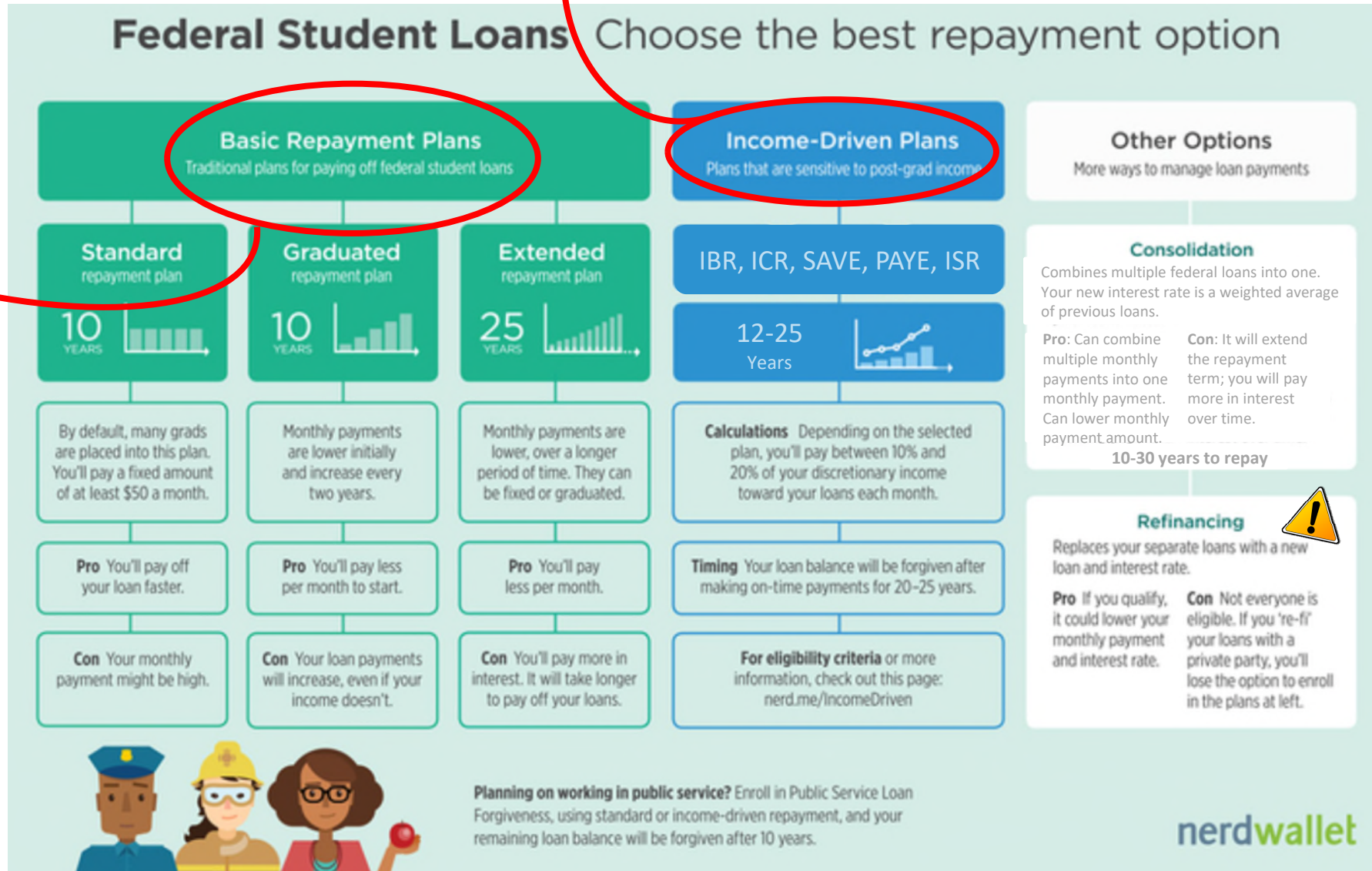




Apply at [StudentAid.gov](https://studentaid.gov)

Repayment Plans

Request
from your lender





Loan Simulator

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

FAFSA® Form ▾

Loans and Grants ▾


Loan Repayment ▾

Loan Forgiveness ▾

Log In | Create Account

See Your Federal Student Loan Repayment Options with *Loan Simulator*

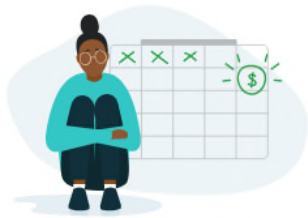
Loan Simulator helps you calculate student loan payments and choose a loan repayment option that best meets your needs and goals. You can also use it to decide whether to consolidate your student loans.



I Want to Find the Best Student Loan Repayment Strategy

Log In and Start


[Or Start From Scratch](#)



I'm Struggling With My Student Loan Payments

Log In and Start

[Or Start From Scratch](#)



I Want to Simulate Borrowing More

Log In and Start

[Or Start From Scratch](#)

Your Results

OPTION 1

Apply for an Income-Driven Repayment Plan

An income-driven repayment plan sets your monthly student loan payment at an amount that is intended to be affordable based on your income and family size.

TEMPORARILY
STOPS
PAYMENTS

INTEREST
SUBSIDY
BENEFITS

COUNTS
TOWARD
LOAN
FORGIVENESS

LONG-TERM SOLUTION

✗

✓

✓

✓

[View Details](#)

[Simulate and Apply](#)

OPTION 2

General Forbearance

Forbearance allows you to temporarily stop your student loan payments. Interest accrues during forbearance.

TEMPORARILY
STOPS
PAYMENTS

INTEREST
SUBSIDY
BENEFITS

COUNTS
TOWARD
LOAN
FORGIVENESS

LONG-TERM SOLUTION

✓

✗

✗

✗

[View Details](#)

[Simulate and Apply](#)

Your Situation

Salary

\$ 35,000

Family Size

2

Select all that apply

☒ I can use my extra income for other expenses

☐ I'm actively seeking employment

☐ I'm enrolled in a nutrition program

☐ I've been in training for a new career

☐ I'm unemployed

☐ I'm enrolled in an assistance program

☐ I'm enrolled in a security program

☐ I'm getting a degree

[Guide](#)

Loan Information

Find the Best Repayment Plan Option

Your Results

Based on your selections and overall repayment strategy, and assuming you will meet eligibility requirements for Public Service Loan Forgiveness (PSLF), this is the plan with the **lowest monthly payment**.

We estimate you will pay **\$0** per month until **July 2033**.

Saving on a Valuable Education (SAVE) Plan—Formerly the REPAYE Plan with Public Service Loan Forgiveness

[View and Apply](#)

✓ Lowest Monthly Payment

Based on your income and family size, your monthly payments are limited to 10% of your discretionary income. Good option for those seeking PSLF.

Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full by the "Paid Off Date" shown below.

You may have to pay federal income tax on any amount that is forgiven, unless the amount forgiven is under the Public Service Loan Forgiveness (PSLF) Program. Amounts forgiven under the PSLF Program are not considered income by the Internal Revenue Service, so these amounts aren't taxed.

Monthly Payment

\$0

Total To Be Paid

\$0

Paid Off By

Jul 2033

PSLF Amount

\$27,000

Personal Information

Loan Information

Repayment Goals

What is your repayment goal?

☐ Fastest payoff

☒ Lowest monthly payment

☐ Lowest total paid over time

☐ Monthly payment I chose

☐ Total paid by a certain date

Show payment estimated under **Public Service Loan Forgiveness (PSLF)**

☒ On

[Guide me through this section.](#)





SAVE Repayment Plan (Formerly known as REPAY)

What it is now

- "SAVE" stands for "Saving on a Valuable Education"
- SAVE Plan provides the lowest monthly payments of any IDR plan available to nearly all borrowers.
 - Increases the income exemption from 150% to 225% of the poverty level
- The plan eliminates 100% of remaining interest for both subsidized and unsubsidized loans after a scheduled payment is made under the SAVE Plan

What it will be in 2024

- Payments on undergraduate loans will be cut in half (reduced from 10% to 5% of income above 225% of the poverty level).
- It will decrease undergraduate loan payments from 10% to 5% of that



Repayment Tips

- Make a student loan debt tracking sheet/poster/post-it to motivate you
- Use any tax refunds or *found money* to help reduce your loan balance ([MaineUnclaimedProperty.gov](https://www.maineunclaimedproperty.gov))
- Use the debt snowball (pay off smaller loans first, then – higher amount loans) or debt avalanche (pay off high interest loans first, then target lower interest loans) approach
- Consider refinancing for a lower rate, **with caution** ⚠
- Avoid taking out more debt





Repayment Restart ASK FOR HELP



- If you can't afford your monthly payment, or make your payment on-time, **act immediately!**
- There are NUMEROUS options available, such as:
 - **A new repayment plan** that reduces your monthly payment (you can change as often as you need and it's FREE)
 - SAVE repayment plan
- Temporary **deferment** or **forbearance** - pause of payments for reasons such as:
 - Unemployment or extreme economic hardship
 - Half-time enrollment in college, active military duty





Repay Restart One-Time “On Ramp”

One-Time Repayment “On-Ramp”

- October 1, 2023 - September 30, 2024 (12 months)
- Interest will still accrue, but will not capitalize
- Benefits of “on-ramp” for late, missed or partial payments:
 - Not reported to credit bureaus
 - Not considered in default
 - Not referred to collection agencies





Fresh Start

- Fresh Start is a one-time **temporary** program that offers special benefits for borrowers with defaulted federal student loans
- Loans will be transferred back to a loan servicer and will return to an “in repayment” status – you can opt for Income Based Repayment Plan
- Fresh Start automatically restores loan into access to federal student aid (loans and grants)
- Record of your default will be removed from your credit report
- **Call 1-800-621-3115 (TTY number is 1-877-825-9923)**



Ends September 2024



One Time IDR Adjustment

Background:

- IDR Plans have baked in forgiveness as part of your agreement to repay your student loan

Income Contingent Repayment Plan (ICR Plan)

Under the ICR Plan, your monthly payment amount will be the lesser of—

- 20% of your discretionary income, or
- A percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period.

If you are married and file a joint federal income tax return, the income used to determine your ICR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your ICR Plan payment amount.

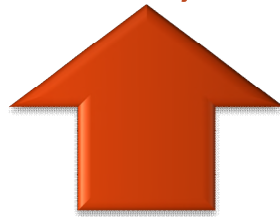
Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues monthly on your loan unless you request a forbearance.

Under the ICR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.



One Time IDR Adjustment

- Dept of ED will conduct a one-time adjustment of IDR-qualifying payments for all **Federal Direct Loans and federally owned Federal Family Education Loan (FFEL) Program loans**. This one-time account adjustment will apply to borrowers who are:
 - on an income-driven repayment (IDR) plan, or were on one in the past;
 - in the Public Service Loan Forgiveness (PSLF) program; or
 - not on an IDR plan but are interested and have Direct or FFEL Program loans held by the Dept of ED
- Adjustment will be applied to most borrowers' accounts in 2024. It will be applied only to Direct and FFEL Program loans held by the Dept of ED.
- No application is needed, however, if you have commercially held FFEL or Perkins or HEAL loans, you must consolidate prior to **December 31, 2023**, to benefit from the IDR adjustment.





Impact of IDR One-Time Adjustment

- Adjustment will give IDR credit to **all payments** regardless of payment plan (back to July 1994. Back further for forbearance totals)
- Some periods of deferment and forbearance will be counted
- **Could result in immediate forgiveness** if loans have been in repayment 20/25 years
- Consolidation of any FFEL, Perkins, or Direct Loan **will NOT reset count if submitted by December 31, 2023**, including for PSLF
- Consolidated loans with different counts will receive highest count **if completed by December 31, 2023** (after will receive a weighted average)

LEARN MORE: FREE Webinar from FAME on November 3rd at noon
FAMEMaine.com/checkin



Forgiveness/Cancellation

- **Teacher Loan Forgiveness**
 - If you teach full-time for five complete and consecutive academic years
 - As a highly qualified teacher in a low-income school or educational service agency
 - First loan on or after 10/1/1998
 - You could have up to \$17,500 forgiven on Subsidized and Unsubsidized Loans
- **Public Service Loan Forgiveness (PSLF)** - to be eligible to have your student loans forgiven through PSLF, you must have:
 - made 120 eligible payments;
 - on eligible loans in an eligible repayment plan;
 - while working for an eligible employer.
- Total and Permanent Disability Discharge
- Death Cancellation
- **DOCUMENT your loan payments**



Visit studentaid.gov/PSLF

- determine whether you work for a qualifying employer for the PSLF program
- receive steps you can take to become eligible for PSLF
- guided form and submission process





Bonus: Tax Credits!!

■ Student Loan Repayment Program

- Refundable tax credit
- Reimburses up to \$2500 in student loan payments for college graduates who live and work in Maine
- Apply annually at [Maine.gov/revenue/forms](https://maine.gov/revenue/forms)
- Learn more at liveandworkinmaine.com



YOU COULD GET



\$2,500



**OF YOUR STUDENT LOAN
PAYMENTS REIMBURSED
EVERY YEAR.**

■ Federal Tax Student Loan Interest Deduction

- Tax deduction for the interest paid on student loans for yourself, your spouse, or your dependent. Applies to all loans (not just federal student loans) that were used to pay for higher education expenses. Maximum deduction is \$2,500 a year.
- More info at [IRS.gov](https://irs.gov)



Additional Resources

- FAME Repay Restart: FAMEmaine.com/repayrestart
- FAME Financial Wellness: FAMEmaine.com/financialwellness
- FAME Online Financial Wellness: FAME.Enrich.org
- ECMC Student Loan **Counseling**: ECMCsolutions.org
- The Institute for Student Loan Advisors: FreeStudentLoanAdvice.org





Federal Loan Disputes

U.S. Department of Education

FSA Ombudsman Group

P.O. Box 1843

Monticello, KY 42633

Web: [Ombudsman.ed.gov](https://ombudsman.ed.gov)

877-557-2575

202-275-0549 fax

Email: FSAombudsmanoffice@ed.gov





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