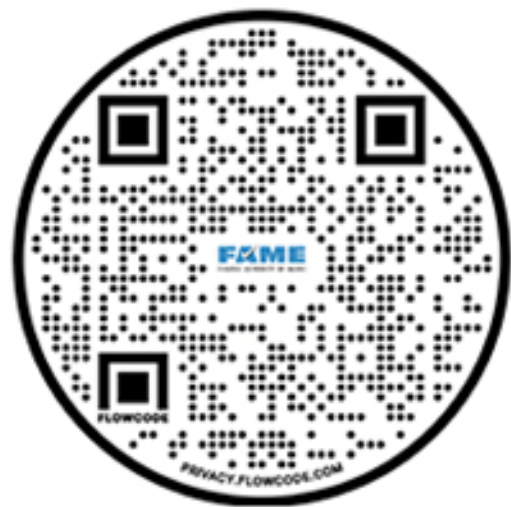




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Student Loan Update – Where We Are Today

March 15, 2024

PRESENTED BY

Martha Johnston, Director of Education

- Repay Restart
- **Update, Plan, Ask for Help**
- Repayment Plans and Tips
- Repayment On-Ramp and Fresh Start
- One Time IDR adjustment
- Loan Forgiveness and Consolidation
- PSLF and MOHELA
- Student Loan Tax Benefits
- The Big Picture – Overall Financial Considerations





Repay Restart is Well Under Way

- Interest began accruing on September 1, 2023
- First due dates were likely in October of 2023
- Outstanding interest will be applied until paid down
- **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



Because of legislation passed by Congress, [student loan payments have restarted](#). Borrowers can lower their payments, even to \$0, by enrolling in the new [SAVE Plan](#).

 An official website of the United States government.

[Help Center](#)

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[Loan Forgiveness](#) ▾

[Log In](#) | [Create Account](#)



Repay Restart PLAN

- Use FAME's free financial wellness tool at **FAME.Enrich.org** to update your budget to include your loan payment
- 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!
- Keep all documentation and call notes
- Watch out for student loan repayment scams





Federal Student Loan Servicers



1-855-337-6884



1-888-866-4352 (PSLF Servicer)



1-800-722-1300



1-888-486-4722



1-866-313-3797

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](#)

I'm Struggling With My Payments

Loan Simulator

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.

[Simulate and Apply](#)

TEMPORARILY STOPS PAYMENTS	INTEREST SUBSIDY BENEFITS	COUNTS TOWARD LOAN FORGIVENESS	LONG-TERM SOLUTION
✗	✓	✓	✓

[View Details](#)

OPTION 2

General Forbearance

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

[Simulate and Apply](#)

TEMPORARILY STOPS PAYMENTS	INTEREST SUBSIDY BENEFITS	COUNTS TOWARD LOAN FORGIVENESS	LONG-TERM SOLUTION
✓	✗	✗	✗

[View Details](#)

Your Situation

Salary: \$ 35,000

Family Size: 2

Select all that apply

- I can usually afford my expenses
- I'm active duty member of the National Guard or Reserve
- I'm enrolled in the Nutrition Assistance Program
- I've been admitted to a training program
- I'm unemployed
- I'm enrolled in the Assistance for Needy Families program
- I'm enrolled in the Security Income program
- I'm getting cancer treatment

[Guide me through this section](#)

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

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	Total To Be Paid	Paid Off By	PSLF Amount
\$0	\$0	Jul 2033	\$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](#)



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
- Use the debt snowball (small amount - high amount) or debt avalanche (high interest – low interest) 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, **contact your servicer 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)
- Temporary deferment or forbearance 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”

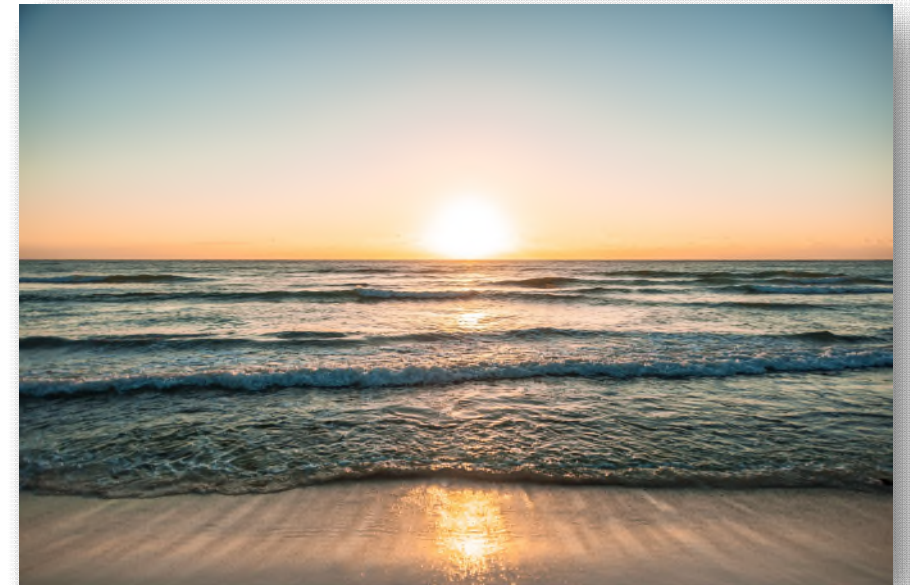
- October 1, 2023 - September 30, 2024 (12 months)
- Interest will still accrue, but will not capitalize
- Benefits of “on-ramp” for late, missed or partial payments:
 - Not reported to credit bureaus
 - Not considered in default
 - Not referred to collection agencies
 - No IDR recertification due until six months after restart
 - Income can be self certifying



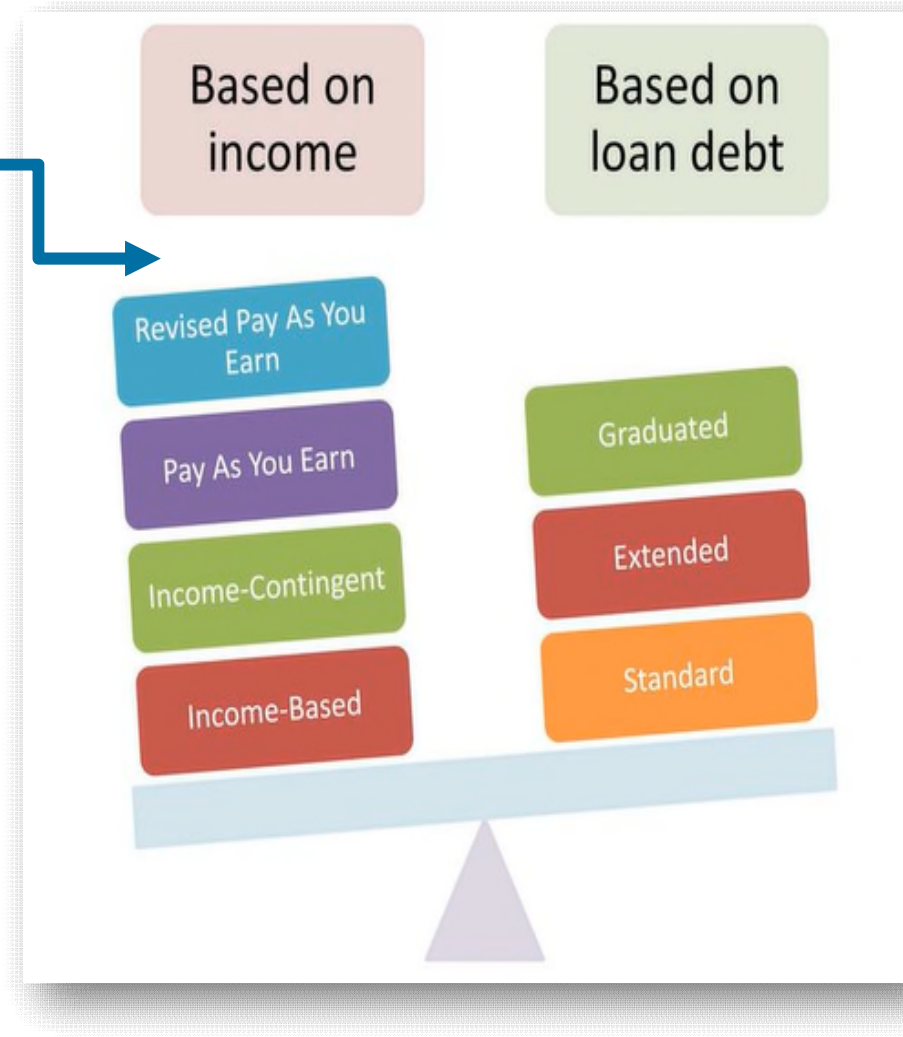


Fresh Start Help for Defaulted Borrowers

- Fresh Start is a one-time temporary program that offers special benefits for borrowers with defaulted federal student loans
- Fresh Start automatically restores access to federal student aid (loans and grants)
- Loans will be transferred from the Default Resolution Group (or from a guaranty agency) to a loan servicer and will return to an “in repayment” status
- Record of your default will be removed from your credit report
- **Contact your loan servicer to claim the full benefits of Fresh Start to get out of default**



SAVE Plan





NEW IDR Plan

- **SAVE** (formerly the REPAYE Plan) – any Direct Loan borrowers (except PLUS Loan) pay choose this plan.
 - Undergraduate borrowers: payments are 10% (5% after July 1, 2024) of discretionary income and calculated each year based on your income and family size
 - Graduate borrowers: payments are 10% of discretionary income and calculated each year based on your income and family size (weighted average for borrowers who have both)
 - 225% of the applicable Poverty Guideline based on your state and family size
 - Must update income and family size each year, even if they haven't changed
 - If married, spousal income or loan debt will be considered *only* if you file a joint tax return
 - Any interest not covered by the billed monthly payment is forgiven, regardless of loan type or time on the plan.
 - Any outstanding balance on your loan will be forgiven if you haven't repaid your loan in full after 20 years (if all loans were taken out for undergraduate study) or 25 years (if any loans were taken out for graduate or professional study).

- **Visit [StudentAid.gov](https://studentaid.gov)** to learn more about **Income-Based Repayment, Income Contingent Repayment, Income Sensitive Repayment**



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.**

April 30, 2024



Impact of IDR One-Time Adjustment

- If you have at least 12 consecutive or 36 months total forbearance it will be counted
- Will count for PSLF if borrower was working for an eligible employer at the time (2007 forward), including Parent PLUS loans
- Will count back to July 1994 (or further for forbearance totals)
- Could result in immediate forgiveness if loans have been in repayment 20/25 years



Forgiveness/Cancellation

- **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 plan;
 - while working for an eligible employer.

- **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 Stafford Loans

- Total and Permanent Disability Discharge
- Death Cancellation



Looking for Your 2024-25 FAFSA Form?

You can access your 2024-25 FAFSA form in [My Activity](#) or the [main FAFSA page](#).

An official website of the United States government.

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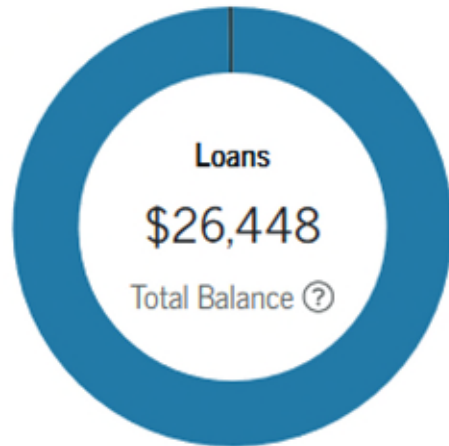
Loan Forgiveness ▾



ZOE 🔍

Dashboard

My Aid



- \$26,365 Principal ⓘ
- \$83 Interest ⓘ

[View Details](#)

Loan information as of 02/29/2024. [Learn how to download your aid data.](#)

StudentAid.gov

Upcoming Payments

Servicer

Mohela

Due Date

4/2/24

[Pay on Servicer Website](#) ↗

Quick Links

[Info on Making Loan Payments](#)

[Loan Simulator](#)

[Enroll In An Income-Driven Repayment \(IDR\) Plan](#)

[Loan Consolidation](#)

[PSLF Help Tool](#)

[Lower My Payments](#)



Visit studentaid.gov/PSLF

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





- Messages
- Alerts
- Contact Us
- Log Out

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 [Payments](#) ▾
 [Documents](#) ▾
 [Repayment Options](#) ▾
 [PSLF](#) ▾
 [TEACH Grant](#) ▾
 [Help Center](#) ▾
 [SEARCH](#)

Next Payment

Total Amount Due: \$0.00
Next Payment Date: 04/02/24
Current Amount Due: \$0.00
Past Due Amount: \$0.00

[Pay Now](#)

Most Recent Payment

Total: \$0.00
Recent Payment Date:
Posted Date:
Applied to Principal: \$0.00
Interest: \$0.00

[View Payment History](#)

IF YOU ARE PAYING EARLY!

Bills generate 28 days prior to your due date, and are sent at least 21 days prior to your due date. A payment made prior to 28 days may not be applied to your next bill due.

If this payment is not applied to your bill, it is applied as an additional payment.

Additional payments are applied to your principal balance after all outstanding interest is satisfied.

Auto Debit -

Loans Enrolled in Auto Debit

Loan Sequences	Bank Account # (Last 4 Digits)	Payment Amount	Additional Payment Amount	Balance of Enrolled Loans	Total Payment to be Withdrawn
----------------	-----------------------------------	----------------	------------------------------	------------------------------	----------------------------------



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Public Service Loan Forgiveness (PSLF) -

Track your loan forgiveness progress

Find out if your payments qualify for PSLF and the Temporary Expanded Public Service Loan Forgiveness (TEPSLF) opportunity.

[Check My Progress](#)

Certify Eligible Employment

Prepare your Public Service Loan Forgiveness (PSLF) and Temporary Expanded PSLF (TEPSLF) Certification & Application with the [PSLF Help Tool](#) at StudentAid.gov.

Have a completed PSLF form?

[Upload to Certify](#)

[Why should I certify employment?](#) ▾

Loan Overview -

[Balance Overview](#)

[Account Summary](#)



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Public Service Loan Forgiveness (PSLF) Payment Tracker

Important Note

Processing your PSLF form may take up to 60 business days from the date your PSLF Form is received. For PSLF waiver payment counts to be updated or for loan discharge to occur, we must receive the approval from Federal Student Aid. After we receive the approval, it may take up to 90 business days to process this information. You will be notified by MOHELA after your PSLF counts have been updated or if your loan has been discharged. We appreciate your patience.

If your loans have been consolidated, MOHELA will not have information from past periods of deferment or forbearance for the consolidation's underlying loans. To view your loan status history log into [StudentAid.gov](https://studentaid.gov).

The currently displayed PSLF and TEPSLF Payment Counts, specifically those for your PSLF and TEPSLF Eligible and Qualifying Payments, may not include all eligible and qualifying payments that you might be entitled to as a result of the Limited PSLF Waiver. We are in the process of updating this information and ask that you check back periodically for updates. Your continued patience during this process is appreciated.

An Update on Regulation Changes to the PSLF Program

Due to recent changes in PSLF regulation, eligible borrowers can now buy back certain months for some loans in their payment history to make them qualifying payments for PSLF. For more information regarding this update, and to see if you qualify, visit the [PSLF Buyback](#) page at studentaid.gov.

Note: Federal Student Aid (FSA) implemented regulatory changes to the Public Service Loan Forgiveness (PSLF) Program effective July 1, 2023. Please visit StudentAid.gov to keep up with any updates made to the PSLF Program.

Payment Counts	Eligible Payments	Ineligible Payments	Employment
----------------	-------------------	---------------------	------------



MOHELA – PSLF Servicer Payment Counts

FSA Official Servicer of Federal Student Aid. [What this means to you](#) ▾



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each time an approved PSLF form is received.

1 DL Consolidation Subsidized

\$19,000.00 Remaining
Disbursed on 08/17/2023

Qualifying Payments

PSLF	Forgiveness (120)	TEPSLF
10		10
 10 of 120 to go	 10 of 120 to go	 10 of 120 to go

[Show Payment Summary](#)

2 DL Consolidation Unsubsidized

\$7,364.51 Remaining
Disbursed on 08/17/2023

Qualifying Payments

PSLF	Forgiveness (120)	TEPSLF
10		10
 10 of 120 to go	 10 of 120 to go	 10 of 120 to go

[Show Payment Summary](#)

Ready to Certify Employment?

Prepare your form using the [PSLF Help Tool](#) at StudentAid.gov.

[Upload Completed Form](#)



MOHELA – PSLF Servicer Eligible/Ineligible Payments



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- Alerts
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Payment Counts Eligible Payments **Ineligible Payments** Employment

Ineligible Payments

Filter By

Loan: All Loans ▾

Period: All Periods ▾

Program: PSLF TEPSLF

Apply Filters

Displaying 4 Payment Period(s)

[What's an ineligible payment? ?](#)

Loan	Period	Due Date	Amount Due	Program	Primary Denial Reason	Action
1 DL Consolidation Subsidized	11/2023			PSLF, TEPSLF	Deferment or forbearance exists this period	View Details ▾
2 DL Consolidation Unsubsidized	11/2023			PSLF, TEPSLF	Deferment or forbearance exists this period	View Details ▾
1 DL Consolidation Subsidized	10/2023			PSLF, TEPSLF	Deferment or forbearance exists this period	View Details ▾
2 DL Consolidation Unsubsidized	10/2023			PSLF, TEPSLF	Deferment or forbearance exists this period	View Details ▾



Forgiveness/Cancellation

Learn More About Public Service Loan Forgiveness

Please read the following question and answer section carefully to help determine whether Public Service Loan Forgiveness is right for you.

What is the difference between PSLF and TEPSLF?



What loans can be forgiven?



Are loan amounts forgiven under PSLF or TEPSLF considered taxable by the IRS?



What counts as a qualifying employer?



What counts as a government employer?



Which not-for-profit organizations qualify?



<https://studentaid.gov/pslf/>



Hardship Student Loan Cancellation

- Announced February 2024 by White House & Department of Education
- Nowhere near finalized and could face legal challenges
- Expansive Definition of Hardship
 - Likely to default within two years
 - Loan balance compared to income
 - Unavoidable high expenses such as childcare or health care
 - Other factors that may be considered: age of borrower, repayment history, and disability



Federal Loan Consolidation

- Consolidation allows you to combine one or more federal education loans into a new Direct Consolidation Loan for the purpose of lowering your monthly payment or gaining access to federal forgiveness programs.
- **PROS:** Single loan with one monthly bill, lower monthly payment, access to additional repayment plans and/or forgiveness, fixed interest rate.
- **CONS:** Longer repayment period, more accrued interest, loss of certain borrower benefits.



Bonus: Tax Credits!!

- **Student Loan Repayment Program**
 - Reimburses up to \$2500/year via tax credit for student loan payments for college graduates who live and work in Maine (\$25,000 lifetime max.)
 - Apply annually at [Maine.gov/revenue/forms](https://www.maine.gov/revenue/forms)
 - Learn more at [liveandworkinmaine.com](https://www.liveandworkinmaine.com)

- **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://www.irs.gov)



YOU COULD GET



\$2,500



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



Student Loans and the Big Picture

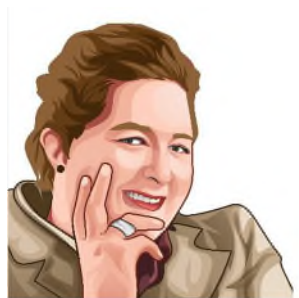
- Every situation deserves unique attention
- Considerations:
 - Overall financial situation, all debt, income, budget, etc.
 - Payoff loans or invest? Both?
 - Refinance?
 - Politics and student loans
 - Bankruptcy and student loans





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





Thank you for joining us today! Find more FREE resources and information at [FAMemaine.com/education](https://www.famemaine.com/education)

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PH: 207-623-3263 or 800-228-3734

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