

Student Loans 101

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Student Loan Expert

Acknowledgements

National Consumer Law Center,

Student Loan Law (4th ed. 2010)

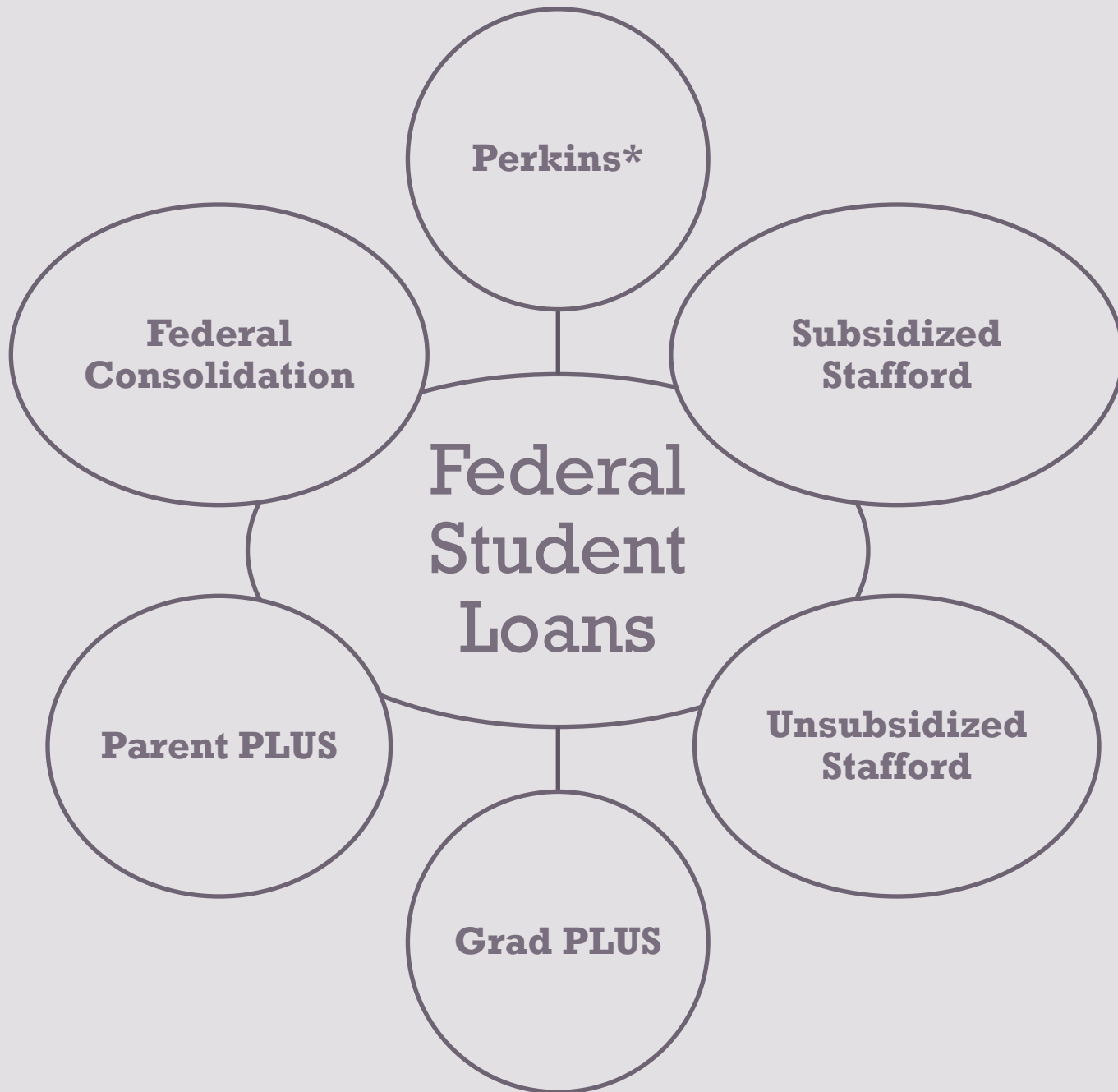
Student Loan Borrower Assistance Project

United States Department of Education

Project on Student Debt

Today's Plan

- Getting to know student loans
- Problems in the for-profit education industry
- Student loan repayment options
 - Postponing student loan repayment
 - Income-Based Repayment
- Consequences of default
- Getting out of default
- Help for student loan borrowers



Financial need

Dependent vs.
independent
students

**Borrowing a
federal
student loan**

Individual
eligibility

Institutional
eligibility

Private student loans

Terms based
on credit

Often variable
interest rates
with no cap

Lack borrower
protections

Lack flexible
repayment
terms

www.nslds.ed.gov

National Student Loan Data System for Students - Mozilla Firefox

File Edit View History Bookmarks Yahoo! Tools Help

http://www.nslds.ed.gov/nslds_SA/

Student Aid on the Web Direct Consolidation Loans - Welcome!! IBRinfo : Updates National Student Loan Data Syst...

START HERE GO FURTHER FEDERAL STUDENT AID

National Student Loan Data System (NSLDS) for Students

Financial Aid Review Glossary of Terms Browser Information/Setup FAQs Contact Us

Hurricane Assistance

NSLDS STUDENT ACCESS
National Student Loan Data System

Retrieve Your Loan Information

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.

FINANCIAL AID REVIEW

FOIA | Privacy | Security | Notices WhiteHouse.gov | USA.gov | ED.gov

Start Search Desktop 2 Microsoft... Presentations Windows S... Timesheets Getting your s... Career Scena... New York Cl... West Virginia... money song li... Document1... National S... Career Scena... 2:12 PM

**Booming and
profitable
market**

**Aggressive
recruiting
practices**

**For-profit
schools**

**Excessive
student loan
default rates**

**Manipulation
of outcome
measures**

A larger percentage of students at for-profit schools borrow to pay for school

- Community colleges: 17%
- Public four-year institutions: 44%
- Proprietary schools: more than 90%

Many students at for-profit schools borrow private student loans

- 42% of proprietary school students borrowed *private* student loans

Aggressive recruiting practices

- Violations of ban on incentive compensation of recruiters
- Signing up poorly qualified students
- Fraudulent or deceptive statements
- Inflated reporting of completion and job placement rates

Other problems in the education industry

Scholarship
scams

Diploma Mills

For-profit debt
counselors

Postponing federal student loan repayment

Grace periods

Deferments

Forbearances

Pre-default federal student loan repayment options

- Standard, graduated, extended plans
- Income-based repayment

Income-Based Repayment

Adjusted Gross
Income

Family Size

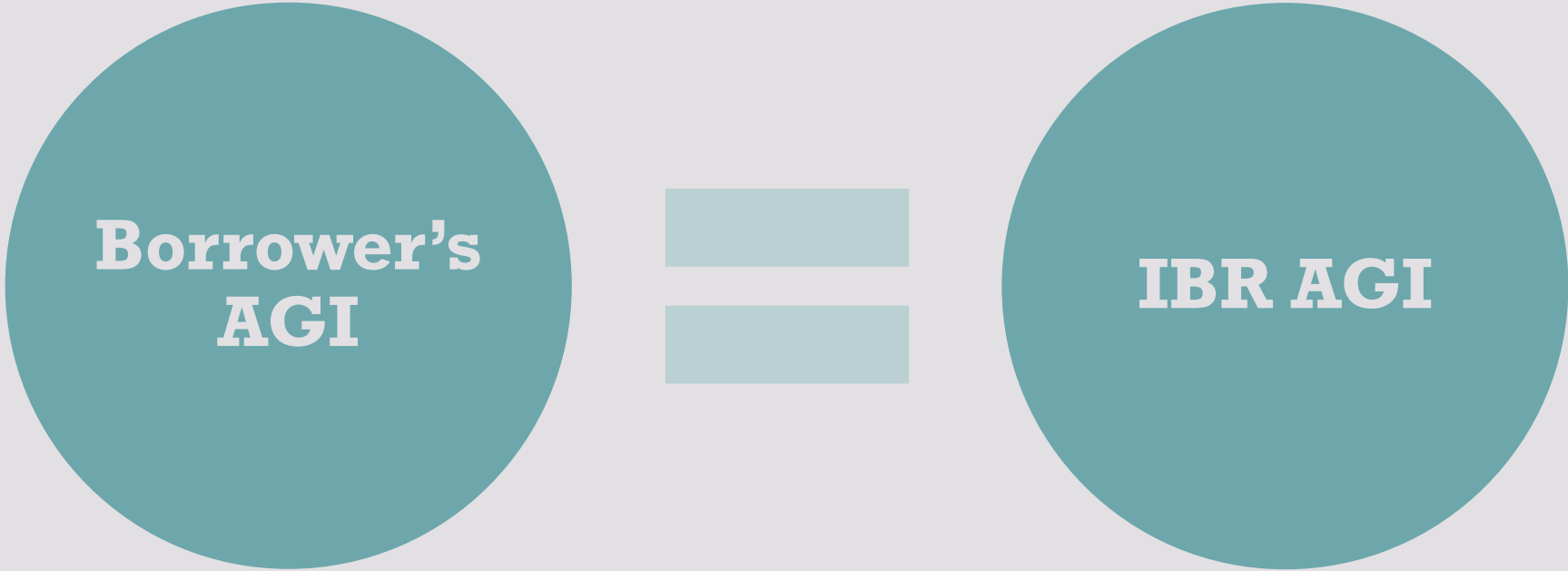
25-years until
forgiveness

IBR Monthly Payment Amount

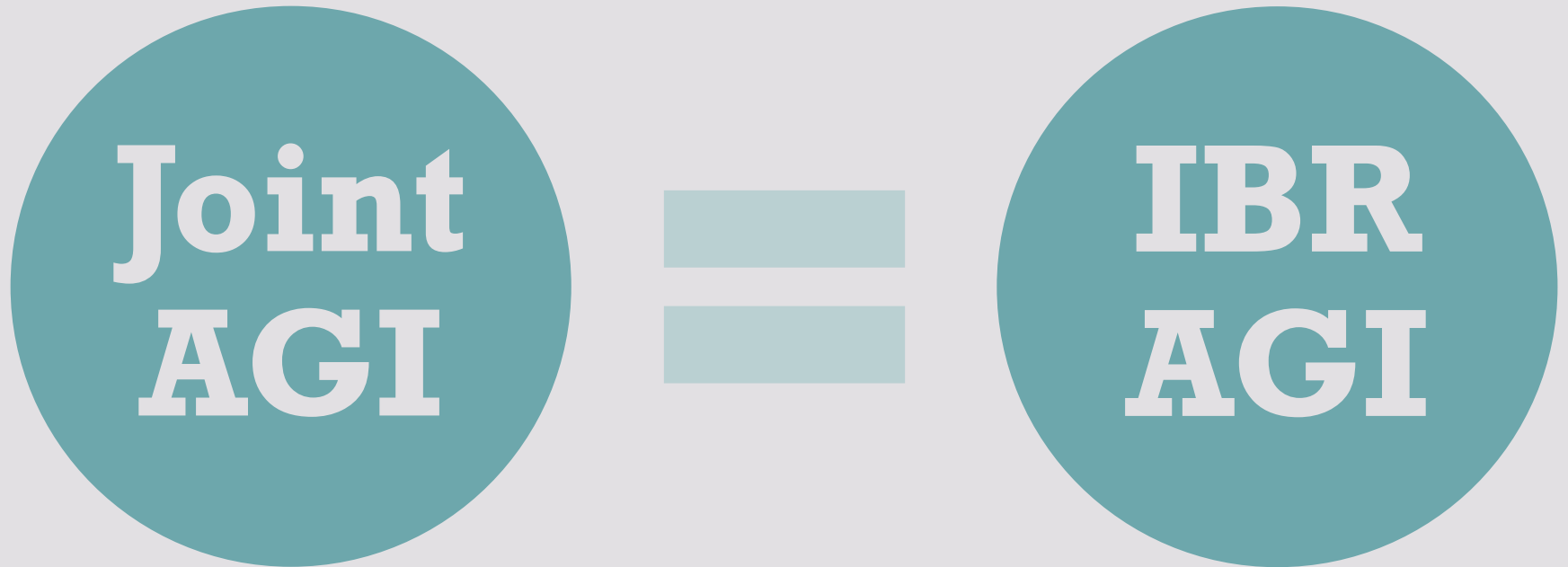
Source: United States Department of Education

AGI	Family Size						
	1	2	3	4	5	6	7
\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$20,000	\$47	\$0	\$0	\$0	\$0	\$0	\$0
\$25,000	\$109	\$39	\$0	\$0	\$0	\$0	\$0
\$30,000	\$172	\$102	\$32	\$0	\$0	\$0	\$0
\$35,000	\$234	\$164	\$94	\$24	\$0	\$0	\$0
\$40,000	\$297	\$227	\$157	\$87	\$16	\$0	\$0
\$45,000	\$359	\$289	\$219	\$149	\$79	\$9	\$0
\$50,000	\$422	\$352	\$282	\$212	\$141	\$71	\$1
\$55,000	\$484	\$414	\$344	\$274	\$204	\$134	\$64
\$60,000	\$547	\$477	\$407	\$337	\$266	\$196	\$126
\$65,000	\$609	\$539	\$469	\$399	\$329	\$259	\$189
\$70,000	\$672	\$602	\$532	\$462	\$391	\$321	\$251

Individual or married filing separately tax filing status



Married filing jointly



Partial Financial Hardship

Eligible Loans	AGI		
	Family size = 1	Family size = 2	Family size = 3
\$10,000	\$25,541	\$31,271	\$37,001
\$15,000	\$30,145	\$35,875	\$41,605
\$20,000	\$34,748	\$40,478	\$46,208
\$25,000	\$39,351	\$45,081	\$50,811
\$30,000	\$43,954	\$49,684	\$55,414
\$50,000	\$62,637	\$68,097	\$73,827
\$75,000	\$85,383	\$91,113	\$96,843
\$100,000	\$108,399	\$114,129	\$119,859
\$150,000	\$154,431	\$160,161	\$165,891
\$200,000	\$200,464	\$206,194	\$211,924

www.finaid.org/calculators/ibr.phtml

The screenshot shows a Mozilla Firefox browser window displaying the FinAid website. The page title is "FinAid | Calculators | Income-Based Repayment Calculator - Mozilla Firefox". The address bar shows the URL "http://www.finaid.org/calculators/ibr.phtml". The page content includes the FinAid logo, navigation links, a sidebar with categories like Loans, Scholarships, and Savings, and a main section for the "Income-Based Repayment Calculator".

FinAid The Smart Student Guide to Financial Aid

Site Map About FinAid

- Loans
- Scholarships
- Savings
- Military Aid

Other Types of Aid

Financial Aid Applications

Answering Your Questions

Calculators

Beyond Financial Aid

SEARCH

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Income-Based Repayment Calculator

This calculator compares the cost of repaying Federal student loans using the [Income-Based Repayment \(IBR\)](#) option and the standard repayment option, including the [net present value](#) of those payments.

Advertisement

Simple tuition

Find Student Loans. There are options. We have them. [View Options](#).

The Income-Based Repayment option was proposed as part of the College Cost Reduction and Access Act of 2007 and became available on July 1, 2009.

Please click on the field names for help in using this calculator. For more information about discount rates, see also the discussion of [net present value](#).

A married borrower who files a separate federal income tax return should include only his or her own loans. Public Law 110-153 modified the treatment of income for married borrowers who file separate federal income tax returns. Accordingly, this calculator will include the spouse's income only when the borrower files as married filing jointly.

Community property states generally attribute half of the earnings of a married couple to each spouse, so in those states, the AGI on the tax return of a married borrower who files a separate tax return will usually include half of the couple's combined earnings, plus any other separate income of the borrower. Therefore, depending on the spouse's earnings, the borrower's AGI on a separate return could be higher or lower than the borrower's own earnings.

Please note that the [HHS Poverty Tables](#) are typically updated in February.

Table Year: 2009

Family Size: 1

State of Residence: Continental U.S.

Discount Rate: 5.80%

Income Growth Rate: 4.00%

CPI: 3.0%

Poverty Level Change Rate: 3.0%

Loan Forgiveness

Year of Forgiveness: 10 Years (Public Service)

Tax Filing Status: Single

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College costs stacking up?

Discover[®] Student Loans has you covered!

TRANSPORTATION

Start Search Desktop Inbox - Microsoft Outlook question/concern about ... Music - Windows Search Timesheets Getting your student loan... money song list - Microso... FinAid | Calculators ... 1:46 PM

Student loan defaults

Consequences of
federal loan defaults

Consequences of
private loan defaults

Getting out of default



rehabilitation



consolidation



Assistance for student loan borrowers

National Consumer
Law Center's
Student Loan
Borrower Assistance
Project

Student Loan
Ombudsman

Department of Education
publications and website

www.studentloanborrowerassistance.org

The screenshot shows a Mozilla Firefox browser window displaying the website <http://www.studentloanborrowerassistance.org/>. The browser's address bar and search bar are visible at the top. The website's main header features the logo on the left and the title "A Resource for Borrowers, their Families and Advocates" in the center. A sidebar on the left contains a search bar and a list of navigation links. The main content area includes a descriptive paragraph, two call-to-action buttons, a disclaimer, a "Voices" section, and a "New Developments" list. The footer indicates the page was last updated on April 27th, 2010. The Windows taskbar at the bottom shows several open applications, including Microsoft Outlook and PowerPoint.

Student Loan Borrower Assistance

A Resource for Borrowers, their Families and Advocates

DON'T MISS!
Self-help Packets
Where to go for help
» Our blog «

Search

Home
Get Answers
Find A Solution
Understanding Student Loans
Repayment
Loan Cancellation
Default and Delinquency
Student Loans & Bankruptcy
Collections
Policy & Legal Issues
Where to Go for Help
Glossary
About Us

National Consumer Law Center's **Student Loan Borrower Assistance Project** is a resource for borrowers, their families, and advocates representing student loan borrowers. This site is for people who already have student loans and want to know more about their options and rights.

Get Answers
Browse a wide range of questions and answers to find the information you need.

Find A Solution
A step-by-step guide to determine a strategy to solve your student loan problem.

Please understand that we do not provide legal advice about individual cases. We request that users first review the information on this site and call or e-mail only with general questions not answered here. This web site includes links to [other resources](#) for those who seek individualized legal advice or other help not offered here.

Voices
We encourage you to share your student loan experiences with us.

New Developments

- U.S. Senate and House [Introduce Legislation](#) to Make Private Student Loans Dischargeable in Bankruptcy
- U.S. House Passes [Student Loan Reform Legislation](#) (March 2010)
- Sallie Mae [Announces](#) Death and Disability Discharges for Some Private Student Loans
- Department of Education Posts Questions and Answers About [IBR and Public Service Forgiveness](#) (Jan/Feb. 2010)
- SLBA [Brief](#) on For-Profit Higher Education (Jan. 2010)
- [FAQs on Loan Rehabilitation](#)

Last updated: April 27th, 2010

OUR BLOG
Read the latest from our

HEATHER JARVIS
Student Loan Expert

askheatherjarvis.com