

Making a Plan to Manage Your Student Loans Tools and Details

1) Know what you owe...

- www.nslsds.ed.gov Lists all your Federal Direct/FFEL and Perkins Loans.
- <https://heartland.ecsi.net> Lists your UC Perkins, Health Professions and University Loans.
- Did you attend any other colleges/universities and borrow private or institutional or HHS loans from them? Not sure? www.annualcreditreport.com - official site, allows you to see your credit report.
- Who is the loan servicer? This is where you send payments. Register for an account with your servicers and keep your personal contact info up to date.
- What is the interest? Note this next to loan amount and servicer name.

2) Know when payment begins...

- Grace periods vary by type of loan: Federal Direct, FFEL and University Loans, 6 months; Perkins and Nursing Loans, 9 months; HPSL, LDS, and PCL 12 months.
- If a loan's grace period has already been used (you took a break between undergrad and grad, or you took a year off, for example) the loan may go into repayment right after graduation.
 - If you have federal loans going into repayment immediately after graduation, you may decide that an "early" consolidation to get a lower income driven repayment amount for your first year of repayment – income will be based on 2017 taxes.

3) Think about where you are headed...

- What are your likely annual gross earnings going to be at the time that loans enter repayment?
 - This will determine the monthly payment amount under an Income Driven Repayment (IDR) plan for the first year of repayment.
 - Are you married, and does your spouse have loans, and do you have children? All these factors will play into your minimum monthly payment in income driven repayment plans.
- How likely is it that your career will be spent in public service?
- What is your likely annual earnings rate as you progress in your career?

4) Learn about the repayment plans and estimate what your required payment will be...

- Use the repayment estimator calculator at www.studentloans.gov to see what repayment for your Federal Loans will be like under the plans available at your expected income.
- Remember to do the required on-line exit counseling sessions for your loans <https://finaid.ucsf.edu/financial-literacy/debt-management> as you graduate.
- Learn the details of loan repayment plans at www.studentaid.ed.gov/repay-loans
 - Visit www.ibrinfo.org if you are interested in Income-Based Repayment, Pay As You Earn, or Public Service Loan Forgiveness
- For most UCSF students, income driven plans offer the most affordable payments, and the most flexibility during the first few years after graduation.

5) Make a strategic plan and execute it...

- Calendar when you need to **choose your plan** (45 days prior to the end of grace).
- Should you consider a **consolidation**?
 - Not everyone needs to consolidate, and there are pros and cons.
 - **Pros:** Multiple servicers and payments can be simplified. It can make old FFEL, Perkins, HPL and LDS loans eligible for IBR/PAYE/REPAYE and PSLF.
 - **Cons:** may lose benefits of some loans with longer grace and/or extended deferment options, cannot target payments to highest interest rate first since loans are combined, weighted average interest rate rounded up to nearest 1/8 of 1%, can extend repayment term (you can choose, however, not to do so).
 - Federal Student Loan consolidation on-line application is easy and is at www.studentloans.gov – and you can also apply for income-driven repayment on that consolidation app at the same time.
- Understand interest **capitalization** – it will occur every time your loans change status: from grace to repayment, from repayment to forbearance, from one plan to another, etc.
- Do you have other debt at higher interest rates and this is causing some anxiety?
 - Pay higher interest rate loans most aggressively if not consolidated
 - Be sure to save for the unexpected expenses and opportunities
- Start working toward carving out at least a PAYE/REPAYE plan payment from your budget. Can you do it? If you can't make payments – there are options – deferments, forbearances. Contact your servicer.
- Learn about potential forgiveness plans <http://finaid.ucsf.edu/student-loan-debt-management-and-repayment/repayment-options> contains a list of forgiveness programs.
- Know your own money habits – consider **direct debit**, which, in the case of Direct Loans can earn you a .25% discount.

6) Revisit your plan along the way...

- If you are in an income-driven plan you must **renew on time** each year to avoid interest capitalization and a default to “standard” repayment.
- Consider your new financial situation each year. Forbearance can be pursued during residency or times of economic hardship – but interest will accrue during periods of forbearance.
- Likelihood of remaining in public service, viability of the PSLF plan, cost of paying less now, more later, etc.
- An assessment of your financial goals and overall debt.
- Getting an offer in the mail too good to be true? Might be. There are many scams, lots of misinformation, and some uncertainty with even federal programs
 - Some unscrupulous companies offer to handle this paperwork for you (for a high fee). The truth is, all of this is easily done yourself once you know how.
 - Never give anyone your FSA ID or FAFSA pin.
 - Non-federal consolidators may offer lower interest rates; but be sure you read the fine print of those loan terms and understand what repayment programs and benefits you may be giving up by transitioning federal debt to private debt.

Take advantage of the free services for continuing assistance with your student loans...

- **Overall Repayment Strategy:** Call 415-476-4181 to make an appointment (in-person, by phone or Zoom) to meet with the Resource Advisor in the Financial Aid Office.
- **Perkins, LDS, HPSL, University Loans, NSL, NFL or PCLs:** The UCSF contact for questions about the repayment for these loans is the Student Accounting Office: Students with last names A-L should contact Maria Maneigo at 415-476-1341 and students with last names M-Z should contact Lawrence Calhoun 415-502-4591. Students manage online repayment at <https://heartland.ecsi.net>