Virtual Office Hours: Student Loan Repayment

With LeAndra Ross, AFC®, Regional Director – South, AccessLex Center for Education and Financial Capability®
Through student-focused initiatives, research and policy advocacy, nonprofit AccessLex Institute works to help purpose-driven students find their path from aspiring lawyer to fulfilled professional.

In partnership with our nearly 200 member law schools, improving access and positively influencing legal education have been at the heart of our mission since 1983.
Please Note:

The information provided in this session is being made available to assist you in developing your personal financial strategy and is not intended as investment, tax or legal advice. You should consider whether the information is appropriate for your needs, and where applicable, seek advice from an appropriate professional advisor.
YOU HAVE
CHOICES
THOSE
CHOICES ARE
YOURS ALONE
BE STRATEGIC

Have the right information.

Make the right individual decision.

Revisit at key intervals/events.
BE STRATEGIC

Have the right information.
YOUR LOAN INFORMATION

FEDERAL LOANS
StudentAid.go

PRIVATE LOANS
AnnualCreditReport.com

OTHER DEBT OBLIGATIONS
BE STRATEGIC

Have the right information.

Make the right individual decision.

Revisit at key intervals/events.
BE STRATEGIC

Make the right individual decision.
PICKING A PLAN
THAT’S RIGHT FOR YOU

- What’s your career trajectory?
- When did you borrow?
- What loan types do you have?
- Are you married?
- What is your career plan?
- What helps you sleep at night?
REPAYMENT PLAN OPTIONS

1. DEBT-DRIVEN

2. INCOME-DRIVEN
REPAYMENT PLAN OPTIONS
DEBT-DRIVEN

NOTE: Standard is the default plan.

STANDARD REPAYMENT
GRADUATED REPAYMENT
EXTENDED REPAYMENT
INCOME-CONTINGENT REPAYMENT (ICR)

INCOME-BASED REPAYMENT (IBR)

PAY AS YOU EARN (PAYE)

REVISED PAY AS YOU EARN (REPAYE)

NOTE: You can change plans!
<table>
<thead>
<tr>
<th>PLAN</th>
<th>LOAN TYPES</th>
<th>ELIGIBLE BORROWERS</th>
<th>MARRIED BORROWERS</th>
<th>% OF DISCRETIONARY INCOME</th>
<th>YEARS TO FORGiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income-Contingent (ICR)</td>
<td>Direct</td>
<td>Direct Loan borrowers</td>
<td>Joint Tax Return = Combined debt + combined income Separate Tax Return = Your debt + your income (plus option for joint repayment)</td>
<td>The lesser of 20% of discretionary income or a 12 year fixed payment adjusted according to income</td>
<td>0 5 10 15 20 25 30</td>
</tr>
<tr>
<td>New Income-Based (New IBR)</td>
<td>Direct</td>
<td>New borrower on or after 9/1/2014 with no outstanding balance on any prior Direct or FFEL loans</td>
<td>Joint Tax Return = Combined debt + combined income Separate Tax Return = Your debt + your income</td>
<td>Generally 10% of discretionary income Never more than the 10-year Standard Repayment amount</td>
<td>0 5 10 15 20 25 30</td>
</tr>
<tr>
<td>Income-Based (IBR)</td>
<td>Direct</td>
<td>Any borrower with eligible student loans</td>
<td>Joint Tax Return = Combined debt + combined income Separate Tax Return = Your debt + your income</td>
<td>Generally 15% of discretionary income Never more than the 10-year Standard Repayment amount</td>
<td>0 5 10 15 20 25 30</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>Direct</td>
<td>New borrower as of 10/1/2007 and must have received a Direct loan disbursement on or after 10/1/2011</td>
<td>Joint Tax Return = Combined debt + combined income Separate Tax Return = Your debt + your income</td>
<td>Generally 10% of discretionary income Never more than the 10-year Standard Repayment amount</td>
<td>0 5 10 15 20 25 30</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>Direct</td>
<td>Any borrower with eligible federal student loans</td>
<td>Combined debt + combined income</td>
<td>Generally 10% of discretionary income No cap on the monthly payment amount</td>
<td>0 5 10 15 20 25 30</td>
</tr>
</tbody>
</table>

*Includes Subsidized, Unsubsidized, Grad PLUS, Consolidation—But not Parent PLUS

Source: Department of Education—Federal Student Aid, Repayment Plans, studentaid.ed.gov/repay-loans/understand/plans
BE STRATEGIC

- Have the right information.
- Make the right individual decision.
- Revisit at key intervals/events.
BE STRATEGIC

Revisit at key intervals/events.
LIFE EVENT CHECKPOINTS

- Change in **JOB**
- Change in **SALARY** (increase or decrease)
- **WINDFALL** (bonus, inheritance, lottery)
- Change in **RELATIONSHIP STATUS**
- Change in **FAMILY SIZE**
PUBLIC SERVICE LOAN FORGIVENESS (PSLF)

- Eligible loans
- Eligible repayment plan
- Eligible employment
- Eligible payments (120)

= PUBLIC SERVICE LOAN FORGIVENESS
CALCULATE YOUR OPTIONS

AccessLex.org/Calculator

### Standard Repayment Plan

<table>
<thead>
<tr>
<th>Total Amount Borrowed</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$115,539</td>
<td>5.800%</td>
</tr>
</tbody>
</table>

Reminder: Private loans are excluded from all calculations, but remember to take this number into consideration when choosing your repayment plan.

### Repayment Estimates

<table>
<thead>
<tr>
<th>Monthly Payment</th>
<th>Total Interest Paid</th>
<th>Total Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,271</td>
<td>$36,999</td>
<td>$152,538</td>
</tr>
</tbody>
</table>
AccessConnex by AccessLex™

A Free Student Loan Helpline

FREE on-demand, one-on-one financial aid and loan repayment counseling to aspiring and current law students, and graduates.

SCHEDULE A MEETING: AccessLex.org/AccessConnex