



University of Wisconsin Stevens Point

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Exit Counseling

FOR GRADUATING STUDENTS

Why do I need to do exit counseling?

Federal regulations require all federal student loan borrowers to complete an exit loan counseling session shortly before graduating

- Failure to complete exit counseling can result in a hold on records

Exit counseling provides information on how to effectively manage student loan repayment

There are 5 parts to Federal Student Aid exit counseling:

- **Understand Your Loans-** displays your loan balance
- **Plan to Repay-** tools to handle repayment
- **Avoid Default-** understand how to avoid delinquency and default
- **Finances: A Priority-** how to develop a sound financial plan
- **Repayment Information-** collects info about you, references, and preferred repayment plan

National Student Loan Data System (NSLDS)

NSLDS is a federal website that utilizes your FSA ID (FAFSA login information) to display all your federal student loan information

- NSLDS does not display information about private student loans. For that information you will need to contact your private loan lender
- Parent PLUS loan information will appear in your **parents'** NSLDS account, not yours

How to navigate NSLDS:

- Visit **nslds.ed.gov** and click on the “Financial Aid Review” box. Click “Accept”
- Log on using your FSA ID
- Under your profile, you may click on the number to the left of each loan to view the details associated with each loan
- You can view the “Current Servicer” of your loan by clicking on an individual loan

Know Who Your Loan Servicer Is

A loan servicer is a company that handles the billing and other services on your federal student loan

- It's possible your student loan could be sold to a different servicer (ex. Nelnet recently acquired Great Lakes)

Contact your servicer when you:

- Need to update your contact information
- Have questions about your loan
- Want to change repayment plans
- Have trouble making your monthly federal student loan payment

When you complete exit counseling online, your contact information will automatically be provided to your loan servicer

- You are required to notify your loan servicer of any changes to your contact information (address, email, phone number) after you leave school

For information on loan servicers, including their contact information, visit [StudentAid.gov/servicer](https://studentaid.gov/servicer)

Important Terms

Accrued Interest

- Interest that has accumulated
- Interest on Direct Loans accrues daily

Capitalized Interest

- The addition of unpaid interest to the principal balance of a loan

Grace Period

- Period of time after you graduate when you are not required to make payments
- You can make payments during your grace period to reduce the amount of capitalized interest before you enter repayment

Subsidized Direct Loan

- Available to undergraduate students with financial need
- The U.S. Department of Education pays the interest while in school

Unsubsidized Direct Loan

- There is no requirement to demonstrate financial need
- Borrower is responsible for the interest while in school

Principal

- The total sum of money borrowed plus any interest that has been capitalized

Repayment Options

When am I required to begin making payments?

- 6 months after you graduate for most federal student loans

Sign up for automatic payments- you might even receive an interest rate deduction on your loan!

Know whether you are eligible for loan forgiveness based on your employer or your job

One size does not fit all! Find a repayment plan that fits your needs by using the “Repayment Estimator” on [StudentLoans.gov](https://studentloans.gov)

- Standard
- Graduated
- Pay As You Earn
- Revised Pay As You Earn
- Income-Based Repayment (IBR)
- Extended (Fixed or Graduated)
- Income-Contingent Repayment

Remember, you can change your repayment plan at any time by contacting your loan servicer

Federal Student Loans Choose the best repayment option

Basic Repayment Plans

Traditional plans for paying off federal student loans

Standard repayment plan

10 YEARS



By default, many grads are placed into this plan. You'll pay a fixed amount of at least \$50 a month.

Pro You'll pay off your loan faster.

Con Your monthly payment might be high.

Graduated repayment plan

10 YEARS



Monthly payments are lower initially and increase every two years.

Pro You'll pay less per month to start.

Con Your loan payments will increase, even if your income doesn't.

Extended repayment plan

25 YEARS



Monthly payments are lower, over a longer period of time. They can be fixed or graduated.

Pro You'll pay less per month.

Con You'll pay more in interest. It will take longer to pay off your loans.

Income-Driven Plans

Plans that are sensitive to post-grad income

Income-Based

Pay As You Earn

Income-Contingent

20-25 YEARS



Calculations Depending on the selected plan, you'll pay between 10% and 20% of your discretionary income toward your loans each month.

Timing Your loan balance will be forgiven after making on-time payments for 20-25 years.

For eligibility criteria or more information, check out this page: nerd.me/IncomeDriven

Other Options

More ways to manage loan payments

Consolidation

Combines multiple federal loans into one. Your new interest rate is an average of your prior loans' rates.

Pro Most grads with federal loans can consolidate. It simplifies your monthly payment.

Con Can't be undone. If you extend your repayment term, you may pay more in interest over time.

Refinancing

Replaces your separate loans with a new loan and interest rate.

Pro If you qualify, it could lower your monthly payment and interest rate.

Con Not everyone is eligible. If you 're-fi' your loans with a private party, you'll lose the option to enroll in the plans at left.



Planning on working in public service? Enroll in Public Service Loan Forgiveness, using standard or income-driven repayment, and your remaining loan balance will be forgiven after 10 years.

Managing Your Money

Do you have a budget?

Following a budget helps you weigh your income with your expenses

Tips on how to stick with a budget:

- Learn to say “no”

- Avoid overspending on food

- Be smart with credit cards

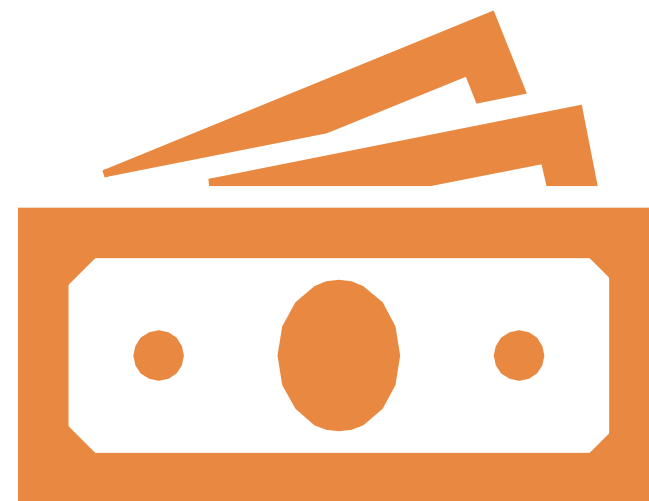
Are you responsible with credit cards?

- Avoid credit card debt at all costs

- Do not use all your available credit

 - You want to keep your “credit utilization” low

- Pay your balance in full every month



Simple Steps to Create a Budget

Know how much money you have coming in

Track your expenses for one month

- Figure out the necessities versus things you want
- **Prioritize your spending**
 - Groceries versus Starbucks
 - Rent versus new shoes

Adjust spending as needed

Be realistic and give it time

Don't forget to include savings and retirement contributions

Budget Guidelines

CHARITABLE GIFTS	10-15%
SAVING	5-10%
HOUSING	25-35%
UTILITIES	5-10%
FOOD	5-15%
TRANSPORTATION	10-15%
CLOTHING	2-7%
MEDICAL/HEALTH	5-10%
PERSONAL	5-10%
RECREATION	5-10%
DEBTS	5-10%

BUDGET GUIDELINES FROM DAVE RAMSEY
FORMATTED BY THEMAMASGIRLS.COM

Budgeting in the Palm of Your Hand

Mvelopes

Sync to accounts
Budget first
Envelope second

Pocket Expense

- Visual spending report
- Add multiple accounts

The Birdy

- Reply to email
- Pie chart

BillGuard

Track spending habits
Fraud protection
Swipe right

Mint.com

Spending & saving
Budget & earnings
401(k), IRA, savings

EveryDollar

Budgeting tool
Link multiple accounts

What is a Credit Score/Report?



Your credit score is what lenders use to determine whether or not to extend credit to you

Think of your credit score like your GPA



Your credit report summarizes your existing and past lines of credit

Think of your credit report like your transcript



Have you checked your credit report?

Everyone can check their credit report once every 12 months, free of charge at **Annualcreditreport.com**

Don't request all 3 at the same time



Tips for improving your credit score:

Pay your bills on time and pay off debt

Keep credit card balances low and don't sign up for any more

Ways Student Loans Impact Credit



Student loans are reported within 90 days of disbursement to the 3 major credit bureaus

Until the borrower goes into repayment, the status is reported as “open/in good standing” on your credit report

Once a borrower enters repayment, the monthly payment amount is reported



Late payments can negatively impact credit



A student loan is considered delinquent 30 days after the due date

Delinquent status will remain on your credit report for 7 years

Loan servicers do not wait around for the borrower to reach out to them



Your credit report indicates your repayment period and should include all your education loans

Having a Difficult Time Making Payments?

Avoid delinquency- contact your loan servicer BEFORE you miss a payment on your federal student loan

- You will **default** if you have not made a payment in 270 days (which can result in serious legal consequences)

1. Consider switching repayment plans

- Don't forget to ask about plans based on your income or loan forgiveness options

2. Consolidation- the result is a single monthly payment instead of multiple payments to different servicers

- This could lower your payments but increase the period of time you have to repay (costing more in the long run)

3. Request a deferment or forbearance to temporarily postpone your payments

- Deferment= interest does not accrue
- Forbearance= interest will continue to accrue

Deferments and forbearance **do not** negatively impact your credit report

Loan Forgiveness Options

Public Service Loan Forgiveness (PSLF)

- May qualify after making 120 qualifying monthly payments while working full time for a qualifying employer
 - Government organization
 - Peace Corps or AmeriCorps
 - A not-for-profit, tax exempt organization
 - A private, not-for-profit organization

Teacher Loan Forgiveness

- Teach full-time for 5 complete, consecutive years in certain schools/agencies that serve low-income families

Loan Supplements and Educational Awards

- AmeriCorps
- Peace Corps
- TEACH for America

What Do I Need in Order to Complete Exit Counseling?

Go to [StudentLoans.gov](https://studentloans.gov) to complete exit counseling

It will take 20-30 minutes and must be completed in a single session

Know the following information in order to complete exit counseling:

- FSA ID (FAFSA login)
- Social Security Number
- Driver's License number
- Contact information for next of kin (nearest relative)
- Contact information for at least two references
- Future employer address/phone

Note: You may not list the same person as both your Next of Kin and a Reference

Perkins Loan Exit Counseling



If you had a Perkins loan, you must also complete exit counseling for this as well. See detailed information at the link below:



<https://www.uwsp.edu/perkins/Pages/Before-Exit.aspx>



Questions?

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