LIVE LIFE SMART GUIDE

Helpful Tips to Manage Your Student Loans

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EDUCATION LOAN SERVICING

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INTRODUCTION

Congratulations! A higher education can significantly boost your earning potential. However, balancing your educational goals with good borrowing decisions is the key to a healthy financial future. With careful financial planning and a completed education, you'll be well on your way to success.

When you borrow Stafford Loans, you have six months (your grace period) from the time you graduate or drop below half-time student status until you start making payments on your federal student loans (repayment). When this happens, we're one of the federal student loan servicers who may process your payments and answer your questions on behalf of the Department of Education. (Note: Some loans, such as PLUS loans, do not include a grace period.)

What to Do and Expect:

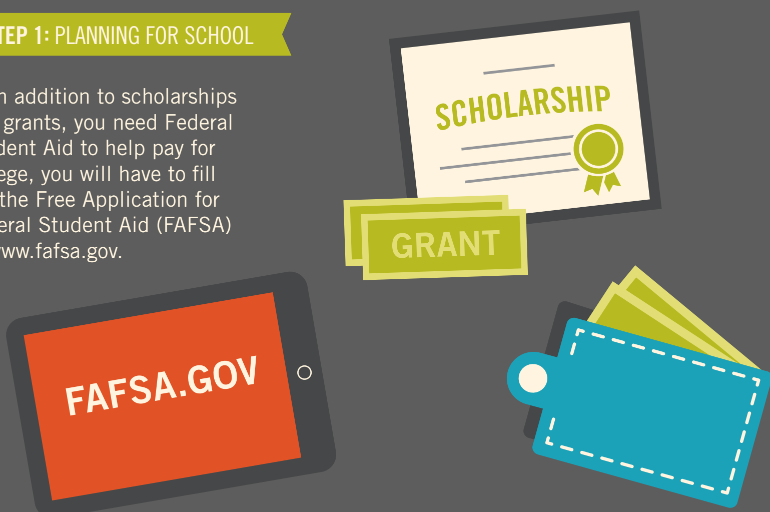
- Use this document to learn more about how to set a budget, pick a repayment plan, and more.
- If Nelnet is one of your servicers, log in to your account at Nelnet.com to update your contact information and see due dates, payment amounts, and repayment options.
- Review the Disclosure of Repayment Schedule you'll receive halfway through your grace period (this is not a bill; it contains details about your federal student loans).
- Get the details on all of your student loans (ones with Nelnet and with other servicers) online through the Department of Education's National Student Loan Data System (NSLDS) at nslds.ed.gov. You will need a PIN to access the site; you can get a copy of your PIN or request a new PIN online at pin.ed.gov.
- Review your student loan billing statement(s). If Nelnet is your servicer, your Nelnet billing statement will arrive about three weeks before your first payment is due. You can choose to receive paper or electronic statements at Nelnet.com.

THE LIFE OF A STUDENT LOAN

When you go to college, you may be unsure of what a "loan servicer" is or why you need to fill out the FAFSA®—and that's OK. Below is an overview of what to know about borrowing money for school.

STEP 1: PLANNING FOR SCHOOL

If, in addition to scholarships and grants, you need Federal Student Aid to help pay for college, you will have to fill out the Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov.



STEP 2: THE AWARDING PROCESS

Based on your FAFSA, your school's financial aid office will decide how much aid to award you, and the Department of Education will then disburse these funds.

When funds are disbursed, they will be sent directly to your school to cover educational costs.

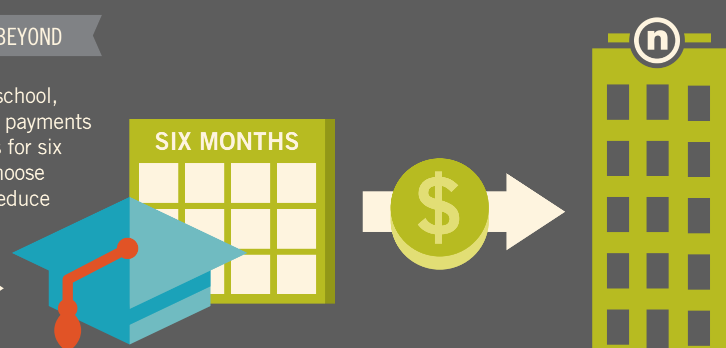
STEP 3: WHILE YOU'RE IN SCHOOL

If federal student loans are part of your award, the Department of Education will assign you a student loan servicer after they are disbursed.

Loan servicers are here to help you manage your student loans, from disbursement to payoff. To learn more about the life of your loans, visit Nelnet.com/Stages-Of-A-Student-Loan.

STEP 4: AFTER SCHOOL AND BEYOND

When you graduate or leave school, you are not required to make payments on your federal student loans for six months. However, you can choose to pay ahead; this will help reduce your overall balance.



Throughout your repayment period, your student loan servicer will help you choose the repayment plan that's right for you.

Whether you have questions about your loans or are struggling to make payments, let your servicer know—we're here to help!

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FINANCIAL LITERACY

Resources and tips to help you get (and stay) financially stable

(Financial Literacy training is also available on Nelnet.com via our Money Mondays webinars)

MANAGING YOUR MONEY
9 Tips to Achieving Financial Wellness

1. **Know where your money goes**

   Be aware of how you are spending your money. A $4 cup of coffee five days a week costs you $80/month. Review some of the items you spend your money on to find areas where cutting back can move your savings account forward.

2. **Develop a budget**

   Plan for your expenditures by developing a budget and live within your means based on your monthly income. Make adjustments to remain within your budget and don't use a credit card to cover a shortfall or unnecessary purchases.

3. **Include savings in your budget**

   Pay yourself first. Treat your savings account like any other monthly bill by making a monthly payment toward it.

4. **Plan for major purchases**

   Adjust your budget accordingly to build savings for your next major purchase without using credit.

5. **Save for emergencies**

   A good rule of thumb is to have a minimum of six months of salary available in your savings account. While this goal will take time to achieve, it is important to strive for it so you're prepared for most unexpected emergencies.

6. **Plan for retirement**

   Take advantage of interest and market upturns by saving for retirement early. Often your employer will help you save for retirement with a 401(k) plan. You can also benefit from pre-tax contributions using this method of retirement savings.

7. **Get tax advice**

   If you have circumstances that create tax dilemmas (e.g., self-employed, own and/or lease property, etc.), make sure to seek tax advice from a professional for the best outcome.

8. **Protect your credit**

   You have the right to pull a free credit report from each reporting bureau once per year by going online to www.annualcreditreport.com. Keep in mind that late payments will adversely impact your credit, as will a failure to pay. You should immediately report any credit issues or discrepancies to the reporting bureau. Use your credit wisely and ensure your reports are accurate.

9. **Keep good financial records**

   Utilize online tools as well as paper copies of receipts to keep records of your pay stubs, banking information, taxes, insurance, and other documents important to your financial situation.

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SET YOUR FINANCIAL GOALS

Healthy financial habits start by setting sound financial goals. Develop a realistic path to achieving your goals by filling in the chart below.

General Information	
Monthly Household Net Income:	Number of Dependents:
Monthly Necessary Expenses:	Your Age:
Amount Remaining to Save for Goals:	Expected Graduation Date:

Identify goals, cost, timeline, savings method, and anticipated rate of return.

Set your goals	Goal #1:	Goal #2:	Goal #3:
Total cost of each goal			
Current funds available			
Time needed to achieve each goal			
Monthly contribution to achieve goal			
Funding source for monthly contribution			
Method for saving/investing for goal			
Expected interest rate/rate of return			

There could be risks that might keep you from reaching your goals.
In many cases, insurance can help protect against these risks.

Risks: Identify risks below that could keep you from reaching your goals and then check the boxes for any insurance you have that can protect you from each risk.	Types of Insurance with Monthly Cost					
	Life $	Health $	Disability $	Auto $	Home/Renters $	$

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BUDGET WORKSHEET

It's easy to prepare a budget. Common categories are included in this worksheet; just fill in the amount you typically spend in the budget column. Use the actual column to record spending to see if your budget is on target or needs to be adjusted—check your bill statements and receipts for the most accurate numbers.

Monthly Expenses	Budget	Actual
Deductions		
Savings (to be set aside)	$	$
Child Support/Alimony	$	$
Other:	$	$
Housing		
Rent/Mortgage Payment	$	$
Utilities (Gas, Water, Electric)	$	$
Home Insurance and Taxes	$	$
HOA Fees	$	$
Cable Bill	$	$
Internet Bill	$	$
Phone Bill	$	$
Other:	$	$
Debt Payment		
Credit Cards Payments	$	$
Student Loans	$	$
Other:	$	$
Food		
Groceries	$	$
Eating Out/Fast Food	$	$
Campus Meal Plan	$	$
Other:	$	$
Transportation		
Car Payment	$	$
License and Registration	$	$
Gas/Oil	$	$
Normal Car Maintenance	$	$
Public Transit, Parking, Toll	$	$
Other:	$	$
Family		
Day Care/Babysitting	$	$
Activities/Lessons	$	$
Pet Sitting	$	$
Other:	$	$

Monthly Expenses	Budget	Actual
Personal and Health		
Clothing	$	$
Toiletries/Care Products	$	$
Haircuts	$	$
Monthly Dues/Fees	$	$
Insurance (Health, Life)	$	$
Doctor/Dentist Visits	$	$
Prescriptions/OTC Drugs	$	$
Laundry/Dry Cleaning	$	$
Other:	$	$
Education		
Tuition	$	$
Books/Fees	$	$
Supplies	$	$
Other:	$	$
Entertainment		
Concerts/Movies	$	$
Sporting Events	$	$
Sports/Recreation Equipment	$	$
DVDs, CDs, Video Games	$	$
Other:	$	$
Miscellaneous/Unexpected		
Gifts/Charity	$	$
Pet Supplies/Vet	$	$
Traffic Ticket	$	$
Car Repair	$	$
Home Repair/Improvement	$	$
Entertaining Guests	$	$
Other:	$	$
Monthly Net Income	$	$
- Total Expenses (from above)	$	$
= Monthly Spendable Income	$	$

STRATEGIES TO SAVE MONEY

Housing

____ Set your thermostat lower

____ Unsubscribe from your cable TV service

____ Turn off the lights when not in use

____ Get a roommate

____ Live at home or with a relative

Entertainment

____ Eat out less frequently

____ Eat early and take advantage of happy hours and early bird specials

____ Split or share meals with friends

____ Make your own lunch and bring it to work

____ Use restaurant coupons

____ Learn to cook dinner for yourself

____ Rent movies

____ Go to the movies in the afternoon rather than in the evening

____ Visit local libraries, museums, and parks

____ Participate in sports

____ Read a book or hike a trail

Food

____ Use a shopping list

____ Use coupons

____ Compare prices

____ Buy in bulk

____ Don't shop more than once a week

____ Don't buy what you can't or won't use

Transportation

____ Utilize public transportation

____ Carpool with a friend or family member

____ Ride your bike or walk

____ Regularly have your oil changed and use coupons for auto maintenance

____ Make sure your tires are properly inflated

Personal/Health

____ Exercise

____ Don't smoke

____ Drink alcohol in moderation

____ Give yourself your own manicure and/or pedicure

____ Use coupons or take advantage of specials for haircuts

____ Cancel unused club or gym memberships

____ Buy generic and OTC medications

Debt Payments

____ Stop using credit cards as a primary payment method

____ Pay off the full balance on each credit card at the end of the month

Miscellaneous

____ Make a budget

____ Consider wants vs. needs

____ Don't spend money to relieve stress

____ Avoid impulse purchases such as coffee or candy

____ Give homemade gifts or give the gift of service rather than a retail item

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CREDIT CARD TIPS

Properly managing a credit card is a big responsibility. Credit cards can help establish and improve your credit score if they're used properly. They can also damage your credit score and get you into serious debt if you don't know what you're doing. Use the tips below to make sound financial decisions.

1. **Shop around**
   Select a card that has the lowest interest rate and fee structure, and be sure to read the fine print. You'll also need to know about late charges, other fees, and grace periods. Make sure you know the card's Annual Percentage Rate (APR) and how it's calculated. Shop around for the best deal and be wary of card offers that seem too good to be true.
2. **Limit the number of cards you have**
   One credit card should be sufficient. Applying for lots of credit at any given time can hurt your credit score and possibly make you a high credit risk. This can affect your ability to get loans or to rent an apartment. In addition, closing several credit cards at once will trigger a decrease in your overall credit score.
3. **Set your minimum balance low**
   This helps you control your spending habits. Spending up to your credit limit—or maxing out your credit card(s)—suggests you could be a credit risk since you might be likely to overspend.
4. **Pay off your balance each month**
   This takes discipline, and it saves you money in the long run. If you can't pay off the entire balance on all of your credit cards, pay off your higher interest rate cards first and always pay more than the minimum payment.
5. **Avoid late payments**
   Late payments are bad for your credit, and a credit card company could use a single late payment as justification for raising your interest rate going forward. This could cost you hundreds—or even thousands—of dollars over time.
6. **Review your monthly statement**
   Save your receipts so you can carefully compare the charges on your credit card receipts with your records to ensure an accurate monthly statement.
7. **Balance wants vs. needs**
   If you've had problems with impulse spending, don't carry all your credit cards with you. Consider carrying a single card for emergencies only. It also helps to think in terms of wants vs. needs when it comes to spending money with your credit card. By resisting the temptation to spend impulsively with credit cards, you can maintain a healthy credit score with little risk of getting in over your head.
8. **Reconsider large purchases**
   If you are considering putting a large purchase on your credit card, put yourself through a waiting period before you actually make the purchase. Remember, a large purchase will need to be paid off sooner or later, and you want to make sure you're paying the least amount of interest on your credit card(s) as possible.
9. **Cash advances**
   Beware—the cash looks attractive, but interest accrues from the moment you accept the cash, and you will also be assessed transaction fees. This means a quick $20 withdrawal from an ATM by using your credit card could easily cost you $30 or more.

REMEMBER: You'll lead a much happier life if you take control of your spending, instead of letting your spending take control of you.

HOW TO AVOID IDENTITY THEFT

Identity theft occurs when a person commits fraud while posing as someone else. The threat of identity theft is real and can take months or even years to recover from once you are a victim. Use the information below to familiarize yourself with the precautions you can take to minimize the chance of becoming a victim and, if you are a victim, these steps will help you correct the situation.

FOLLOW THESE HELPFUL HINTS TO AVOID BECOMING A VICTIM OF IDENTITY THEFT:

Personal:

1. Order a copy of your credit report on a frequent basis (at least annually, preferably quarterly). You can request your credit report at www.annualcreditreport.com.
2. If you have to give private information over the phone, ensure you are in a secure location.
3. Shred all financial statements, billing statements, and pre-approved credit card offers.
4. The IRS does not request personal/financial data through email, so don't respond to any emails asking for that information.
5. Check your financial accounts regularly.
6. Select Personal Identification Numbers (PIN) and passwords carefully so they can't be easily guessed by someone else.
7. Don't give out private information over the phone or Internet unless you have initiated the contact or know for certain to whom you are speaking.
8. Destroy your computer's hard drive if you are selling it or giving it away.
9. Don't carry your social security card with you.
10. Don't carry your registration in your vehicle; instead, carry it in your wallet.
11. Don't carry auto insurance policies in your car; instead, keep them safe at home.
12. Make photo copies of all the cards in your wallet and keep them in a safe place.

E-Commerce:

1. Ensure you are using an ATM without someone watching you.
2. Pay your bills online using a secure website if that option is available to you.
3. Avoid entering your credit card number online unless it is encrypted on a secure website.

Mail:

1. Take outgoing personal and/or bill payments to the U.S. Postal Service mailboxes or drop them off inside a post office.
2. Don't write your account number on the outside of envelopes containing bill payments.
3. Have the post office hold your mail when you are out of town.
4. Don't leave mail sitting in an unprotected mail box.

Banking:

1. Use traveler's checks versus personal checks when traveling.
2. Review monthly bank and credit card statements for mistakes or unfamiliar charges.
3. Have your paychecks directly deposited into your bank account.
4. Avoid providing personal information—account number or password—over the phone or via the Internet.

IF YOU ARE—OR BECOME—A VICTIM OF IDENTITY THEFT, FOLLOW THESE STEPS TO PROTECT YOURSELF:

1. Contact the Federal Trade Commission (FTC): www.ftc.gov or 877.438.4338.
2. Contact the fraud departments of any one of the four major credit bureaus:
   - **Equifax** **800.525.6285**
   - **TransUnion** **800.680.7289**
   - **Experian** **888.397.3742**
   - **Innovis**......................... **800.540.2505**
3. Close the accounts that have been used fraudulently.
4. File a police report.
5. Keep an identity theft log for your personal records.
6. Contact other agencies that might be involved: Social Security Administration's Fraud Hotline (800.269.0271), U.S. Postal Inspection Service (888.877.7644), and the Internal Revenue Service (800.829.0433).

LOAN REPAYMENT

Repayment plan options, monthly payment estimates, how to create a Nelnet.com account, and more

2014–2015 Federal Student Loan Programs

What is a federal student loan?

Federal loans are borrowed funds you must repay, along with the interest that accrues. A federal loan allows you and your parents to borrow money to help pay for college through federal government programs.

What is a private student loan?

Private loans are nonfederal loans issued by private lenders like banks or credit unions. Private student loans often have higher interest rates and loan fees than federal loans, typically require a credit check, and do not provide as many flexible repayment options and plans.

How can I tell the difference?

If you are not sure whether you're being offered a private loan or federal loan, check out the name of the loan—does it include the word "federal"? If not, ask your school's financial aid office. Often, private loans are marketed directly to student borrowers. If you do get a private loan, let your school's financial aid office know so they can counsel you on future loans and financial wellness.

Why are federal student loans a better option to pay for college?

Federal student loans offer borrowers many benefits not typically found with private loans, including low, fixed interest rates, a six-month grace period during which no payments are due, income-driven repayment options, ways to lower or postpone payments, loan forgiveness or discharge based on your job or disability, and deferment options for military or volunteer service or if you return to school. You should explore all of your federal student loan options before considering a private loan.

What types of federal student loans are available and how much can I borrow?

Loan Program	Eligibility	Fixed Annual Interest Rate	Annual Loan Limit	Maximum Loan Amount Allowed Upon Graduation	Details
Federal Perkins Loans	Undergraduate and graduate students who are enrolled at least part time and who demonstrate financial need They must also be attending a school that participates in the Federal Perkins Loan Program.	5%	**Undergraduate students:** Up to $5,500 **Graduate students:** Up to $8,000 Amount received depends on financial need, amount of other aid, and availability of funds at school	**Undergraduate students:** $27,500 **Graduate students:** Up to $60,000 (this amount includes undergraduate loans)	Your college is the lender.
Federal Direct Subsidized Stafford Loans	Undergraduate students who are enrolled at least half time Must demonstrate financial need	**Undergraduate students:** For loans first disbursed on or after July 1, 2014, and before July 1, 2015: 4.66%	$3,500–$8,500, depending on year in school See Annual Loan Limit chart below	**Undergraduate students:** $23,000	The U.S. Department of Education is the lender. The federal government pays interest while you are in school, in grace, or in a deferment.
Federal Direct Unsubsidized Stafford Loans	Undergraduate and graduate students enrolled at least half time Financial need is not required	**Undergraduate students:** For loans first disbursed on or after July 1, 2014, and before July 1, 2015: 4.66% **Graduate students:** For loans first disbursed on or after July 1, 2014, and before July 1, 2015: 6.21%	$5,500–$20,500 (less any subsidized amount received for the same period) depending on year in school and dependency status See Annual Loan Limit chart below	**Dependent[1] undergraduate students:** $31,000 **Independent[2] undergraduate or a dependent undergraduate whose parents are unable to obtain PLUS loans:** $57,500 **Graduate or Professional Students:** $138,500	The U.S. Department of Education is the lender. You are responsible for paying all interest on the loan starting on the date the loan is first disbursed.

Loan Program	Eligibility	Fixed Annual Interest Rate	Annual Loan Limit	Maximum Loan Amount Allowed Upon Graduation	Details
Federal Direct PLUS Loans	Graduate and professional students and parents of dependent undergraduate students Student must be enrolled at least half time Financial need is not required Those qualifying must not have adverse credit history	For loans first disbursed on or after July 1, 2014, and before July 1, 2015: 7.21%	The student's cost of attendance (determined by the school) minus any other financial aid received	No aggregate limit for PLUS Loans	The U.S. Department of Education is the lender. The loan is unsubsidized (you are responsible for paying all interest).
Federal Direct Consolidation Loans	Students who want to combine multiple federal student loans into one payment Parent PLUS loans cannot be transferred to the student or become the student's responsibility	Fixed rate is based on the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest one-eighth of 1%	Not applicable	Not applicable	The U.S. Department of Education is the lender. Print an application at loanconsolidation .ed.gov or call 800.557.7392 to see if this option is right for you.

[1]A dependent student is not married, is younger than 24, does not have children, and is not a veteran. A dependent student reports parental income on the FAFSA®. [2]An independent student is married, older than 24, has children, or is a veteran. An independent student does not report parental income on the FAFSA.

What are my annual loan limits?

Limits are determined by your class standing and dependency status. A dependent student whose parent is denied a PLUS loan may be eligible for Federal Stafford Loans at the independent level. Contact your school to see if this applies to you.

YEAR	INDEPENDENT			DEPENDENT		
	Maximum Subsidized	Additional Unsubsidized	Combined	Maximum Subsidized	Additional Unsubsidized	Combined
Freshman	$3,500	$6,000	$9,500	$3,500	$2,000	$5,500
Sophomore	$4,500	$6,000	$10,500	$4,500	$2,000	$6,500
Junior/Senior	$5,500	$7,000	$12,500	$5,500	$2,000	$7,500
Graduate	N/A	$20,500	$20,500	N/A	N/A	N/A

TEN THINGS
YOU SHOULD KNOW ABOUT STUDENT LOANS

1 BORROW ONLY WHAT YOU NEED

Student loans are a great way to help pay for school.

YOU OWE $$$

But, student loans will eventually have to be paid back...

YOU STILL OWE $$$

...with interest.

MINIMIZE LOANS AS MUCH AS POSSIBLE:

Use all grants and scholarships before borrowing money that has to be paid back. Consider a tuition payment plan that allows you to make payments over time, and work with your financial aid advisor to borrow as little as possible.

2 HAVE A PLAN

tuition +
books +
food +
housing +
bills +
lab fees +
parking +
supplies +
entertainment +
$$$,$$$ -

IF YOU HAVEN'T ALREADY, MAP OUT THE COST OF YOUR ENTIRE EDUCATION AND HOW YOU'LL PAY FOR IT.

Helpful hints and tools to create a healthy financial future can be found at Nelnet.com/Get-Financially-Fit.

3 CREATE AND FOLLOW A MONTHLY BUDGET

Throughout your life, you should know how much money you have and where it's going. Create an estimated monthly budget for when you graduate, and make sure to factor in your future monthly student loan payment. Does it fit? If not, you may need to make some adjustments.

SEVERAL BUDGET WORKSHEETS AND RESOURCES ARE AVAILABLE AT NELNET.COM/GET-FINANCIALLY-FIT.

4 UNDERSTAND YOUR LOANS

There are several different kinds of loans; here are some key factors to be aware of:

SUBSIDIZED VS UNSUBSIDIZED

If it's subsidized, the accrued interest is paid by the government while you're in school and during other approved times of non-payment. If it's unsubsidized, you're responsible for the interest right away.
Note: First-time Direct Loan borrowers on or after July 1, 2013, are no longer eligible for the Subsidized Student Loan program if they are in school longer than 150% of the published length of time necessary to graduate from an undergraduate degree program.

FEDERAL VS PRIVATE

Federal loans are funded by the federal government and come with benefits like reduced monthly payments and deferment. Private loans are issued by banks and often come at a higher cost with fewer benefits.

FIXED INTEREST VS VARIABLE INTEREST

Fixed rates are constant for the life of the loan, but variable interest rates are adjusted annually on July 1. Visit Nelnet.com/All-Calculators to estimate your interest.

FIND MORE BASIC LOAN TERMINOLOGY AT NELNET.COM/TERMS-TO-KNOW.

5 KNOW YOUR SERVICER

YOUR SERVICER

FEDERAL LOANS ARE MANAGED BY LOAN SERVICERS; THESE ARE THE PEOPLE WHO CAN HELP YOU.

Servicers will send you important loan info, collect your payments, and answer your questions. To find out who the loan servicers are for your federal loans, visit nslds.ed.gov.

6 SET UP AN ONLINE ACCOUNT

CREATE ACCOUNT

When you create an online account with your servicer, you'll get quick electronic communications, have an easy way to connect with them, and be able to keep your contact info current.

VISIT YOUR SERVICER'S WEBSITE TO CREATE YOUR ONLINE ACCOUNT TODAY!

7 MAKE PAYMENTS WHILE IN SCHOOL
(EVEN IF IT'S ONLY A LITTLE)

Even if you can only afford

$5 PER MONTH

That's only 1 coffee OR 5 song downloads.

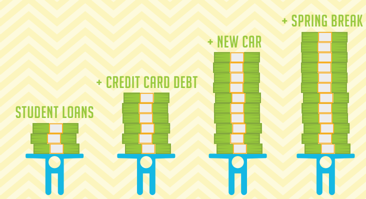
Making small payments now can reduce your principal and/or interest balance by thousands of dollars. With that money, you could buy a new car, pay the deposit on an apartment, or even make a down payment on a house. Paying interest while in school will also keep you aware of what you're borrowing.

8 YOU HAVE REPAYMENT OPTIONS

LET'S SEE! DO I QUALIFY?

If you need to lower or postpone your payment, or if you want to see if you're eligible for Public Service Loan Forgiveness, contact your servicer today AND SEE IF YOU QUALIFY.

9 REPAYMENT IS EASIER WHEN YOUR OVERALL DEBT IS LOWER



During college, avoid racking up credit card debt or purchasing unnecessary big-ticket items. That way, when you graduate, you can focus on paying down your student loans instead of juggling multiple (avoidable) monthly payments.

10 KEEP IN TOUCH!

It can often be confusing to understand how to make your student loan experience the best it can be. But, your servicer(s) are there to help.

STAY IN TOUCH AND ASK QUESTIONS AS YOUR SITUATION CHANGES.

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STUDENT LOAN REPAYMENT PLANS

When repaying your student loan, consider which repayment plan could best meet your needs. Choosing the right plan for your situation is important when keeping your finances in order. Contact the loan servicer (customer service provider) for your student loans to find the best option for you. You can find out which company services your loan by visiting nslds.ed.gov.

Standard Repayment
(Direct & FFELP Loans)[1]

- Fixed monthly payment over a 10 year repayment term
- Monthly payments are at least $50
- Loan is repaid in the shortest amount of time
- Least amount of interest is paid

Graduated Repayment
(Direct & FFELP Loans)

- Payments start low and increase every two years over a 10 year repayment term
- This plan works well if you expect your income to increase steadily over time
- The minimum amount due will be enough to cover at least the amount of accrued interest
- Monthly payments will never be more than three times greater than the initial payment amount under this plan
- You will pay more for your loan over time than under the Standard Repayment Plan

Extended Repayment
(Direct & FFELP Loans)

- Fixed Standard or Graduated repayment (up to 25 years)
- Must have a total amount of FFELP loans exceeding $30,000 or a total amount of Direct Loans exceeding $30,000 (the $30,000 minimum cannot be a combination of both loan types); Extended Repayment would then apply based on eligible loan program (e.g., if you have $30,000 in Direct Loans and another $5,000 in FFELP loans, Extended Repayment would only apply to the eligible Direct Loans)
- More interest is paid due to the longer loan term
- All loans under the qualifying program (FFELP or Direct) must have been disbursed on or after October 7, 1998

Income-Contingent Repayment (ICR)
(Direct Loans Only)

- Payments are based on family size, adjusted gross income (AGI), and total balance of all eligible Direct Loans
- The monthly payment amount must be renewed annually
- Any unpaid interest (due to payment amount) is capitalized annually
- If you haven't paid your loan in full after 25 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- If you do not renew, your monthly payment amount will change to what would have been required under a 10-year Standard Plan for the balance at the time you entered ICR
- Any forbearance or deferments applied while in the ICR Plan will follow normal interest capitalizing guidelines

Income-Based Repayment (IBR)
(Direct & FFELP Loans)

- Your monthly payment will be no more than 15% (or 10% if you are a new borrower[2]) of your discretionary income[3]
- To be eligible, you must have a Partial Financial Hardship[4]—which is based on your total eligible FFELP and Direct Loan debt, adjusted gross income, and family size
- Your payments will change as your income and family size change
- If you haven't paid your loan in full after 25 (or 20 if you are a new borrower[2]) years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- While you can request to change to a different repayment plan at any time, you are required to make a payment after exiting the IBR plan before a new repayment plan can be applied[5]

Pay As You Earn Repayment
(Direct Loans Only)

- You must not have had an outstanding loan balance on a Direct or FFELP loan as of October 1, 2007, or no outstanding balance on a Direct or FFELP loan when you received a new loan on or after October 1, 2007
- Consolidation loans disbursed on or after October 1, 2007, which include (paid off) loans that were disbursed prior to October 1, 2007, do not qualify
- You must have received a disbursement of a new Direct Loan on or after October 1, 2011
- Your monthly payment will be no more than 10% of your discretionary income[3]
- To be eligible, you must have a Partial Financial Hardship—which is based on your total loan debt, adjusted gross income, and family size
- Your payments will change as your income and family size change
- If you haven't paid your loan in full after 20 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven

[1]A Direct Loan is a loan borrowed directly from the Department of Education. A FFELP Loan is a loan that was borrowed from a company such as a bank, lender, or non-profit organization under the Federal Family Education Loan Program (FFELP). [2]You are a new borrower for the IBR plan if you have no outstanding balance on a Direct Loan or FFEL Program loan as of July 1, 2014 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after July 1, 2014. [3] Discretionary income is your income minus 150% of the poverty guidelines for your family size. [4] You have a Partial Financial Hardship if the monthly amount you would be required to pay on your IBR or Pay As You Earn eligible loans under a Standard Repayment Plan with a 10-year repayment period is higher than the monthly amount you would be required to repay under IBR or Pay As You Earn. [5] The required payment must be either the amount you would pay under a Standard Plan taking into account the remaining maximum repayment period or under a reduced payment forbearance agreement.

Consider the total interest accrued and the total amount paid under each option when choosing a repayment plan. All dollar amounts and repayment terms are estimates.

Example 1: Loan balance = $20k; interest rate = 4.7%

	Standard	Graduated	Extended	Income-Contingent[1] (Direct Loans only)	Income-Based[2] (excluding new borrowers[3] as of July 1, 2014)	Income-Based[2] (new borrowers[3] as of July 1, 2014) and Pay As You Earn[4] (Direct Loans only)
Monthly Payment	$209	Initial: $118 Maximum: $354	N/A	Initial: $137 Maximum: $180	Initial: $156 Maximum: $209	Initial: $104 Maximum: $209
Term (# of Months)	120	120	N/A	176	133	176
Total Interest	$5,105	$6,407	N/A	$8,198	$5,996	$8,990
Total Paid	$25,105	$26,407	N/A	$28,198	$25,996	$28,990

Example 2: Loan balance = $50k; interest rate = 4.7%

	Standard	Graduated	Extended	Income-Contigent[1] (Direct Loans only)	Income-Based[2] (excluding new borrowers[3] as of July 1, 2014)	Income-Based[2] (new borrowers[3] as of July 1, 2014) and Pay As You Earn[4] (Direct Loans only)
Monthly Payment	$523	Initial: $295 Maximum: $885	$284	Initial: $306 Maximum: $450	Initial: $156 Maximum: $523	Initial: $104 Maximum: $361
Term (# of Months)	120	120	300	180	268	240
Total Interest	$12,763	$16,017	$35,087	$21,374	$40,160	$46,700
Total Paid	$62,763	$66,017	$85,087	$71,374	$90,160	$50,699

Example 3: Loan balance = $100k; interest rate = 4.7%

	Standard	Graduated	Extended	Income-Contingent[1] (Direct Loans only)	Income-Based[2] (excluding new borrowers[3] as of July 1, 2014)	Income-Based[2] (new borrowers[3] as of July 1, 2014) and Pay As You Earn[4] (Direct Loans only)
Monthly Payment	$1,046	Initial: $590 Maximum: $1,769	$567	Initial: $306 Maximum: $1,115	Minimum: $156 Maximum: $732	Initial: $104 Maximum: $361
Term (# of Months)	120	120	300	300	300	240
Total Interest	$25,526	$32,035	$70,174	$97,900	$115,177	$50,699
Total Paid	$125,526	$132,035	$170,174	$196,562	$115,177	$50,699

[1] The ICR plan example is calculated based on an annual gross income of $30,000, not married, and a family size of one living in the contiguous United States. This repayment amount will be recalculated annually and is subject to change based on the poverty guidelines per family size as determined by the U.S. Department of Health and Human Services. This plan has a maximum term of 25 years and is only offered to Direct Loan student borrowers. [2] The IBR plan example is calculated based on an annual gross income of $30,000, not married, and a family size of one living in the contiguous United States. Monthly payment amounts under the IBR plan may change annually based upon the borrower's annual gross income and family size. Any remaining balance, including interest, is forgiven after 25 (or 20 if you are a new borrower[3]) years of qualifying payments under this plan. [3] You are a new borrower for the IBR plan if you have no outstanding balance on a Direct Loan or FFEL Program loan as of July 1, 2014 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after July 1, 2014. [4] The Pay As You Earn plan example is calculated based on an annual salary of $30,000 and a family size of one living in the contiguous United States. Monthly payment amounts under the Pay As You Earn plan may change annually based upon the borrower's annual gross income and family size. Any remaining balance, including interest, is forgiven after 20 years of qualifying payments under this plan.

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INCOME-DRIVEN REPAYMENT PLANS
Is One Right for You?

The Department of Education offers three student loan repayment plans that are based on your income, family size, and student loan balance: Income-Contingent, Income-Based, and Pay As You Earn. Below, we offer an overview of each, including the factors you should consider when deciding if one of these plans is right for you.

Income-Contingent Repayment (ICR)

Which loans are eligible?

- Direct Subsidized and Unsubsidized Stafford Loans
- Direct PLUS loans made to students
- Direct Consolidation Loans (except for those made prior to July 1, 2006, which repaid a parent PLUS loan)

What are the key points?

- Payments are based on family size, adjusted gross income (AGI), and total balance of all Direct Loans
- Your payments will change as your income and family size change
- Any unpaid interest (due to payment amount) is capitalized annually
- The annual interest capitalization amount is limited so that your new balance will be no more than 10% greater than the loan amount at the time you entered repayment

How do I qualify?

- You must apply and submit required documentation
- Any borrower with an eligible loan type (listed to the left) can qualify

What should I consider before choosing this plan?

- You'll typically pay more in interest on your loan over time than you would have under the 10-year Standard Plan
- If you haven't paid your loan in full after 25 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- This plan must be renewed annually
- If you do not renew, your monthly payment amount will change to what would have been required under a 10-year Standard Plan for the balance at the time you entered ICR
- Any forbearance or deferments applied while in the ICR Plan will follow normal interest capitalizing guidelines

Income-Based Repayment (IBR)

Which loans are eligible?

- Direct and Federal Family Education Loan Program (FFELP) Subsidized and Unsubsidized Stafford Loans
- Direct and FFELP PLUS loans made to students
- Direct and FFELP Consolidation Loans (except for those that repaid a parent PLUS loan)

What are the key points?

- Your monthly payment will be no more than 15% (or 10% if you are a new borrower[1]) of your discretionary income[2]
- Your payments will change as your income and family size change
- Interest will be subsidized for the first three years of the repayment plan for any Subsidized Stafford Loans

How do I qualify?

- You must apply and submit required documentation
- You must have a partial financial hardship[3]

What should I consider before choosing this plan?

- Your monthly payments will be lower than they would be under the 10-year Standard Plan
- You'll typically pay more in interest on your loan over time than you would have under the 10-year Standard Plan
- If you haven't paid your loan in full after 25 (or 20 if you are a new borrower[1]) years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- You can request to change to a different repayment plan at any time. However, you will need to make a payment upon exiting either for the amount you would pay under a Standard Plan taking into account the remaining maximum repayment period, or under a Reduced Payment Forbearance, before you can be placed into a different repayment plan
- Any forbearance or deferments applied while in the IBR Plan will follow normal interest capitalizing guidelines
- Your partial financial hardship status must be renewed annually through your loan servicer
- Any subsidy period used on a different income-driven repayment plan will count toward the subsidy period of the new income-driven repayment plan when transferring to a different plan that offers subsidy
- If you do not renew, your monthly payment amount will change to what would have been required under a 10-year Standard Plan for the balance at the time you entered IBR

[1]You are a new borrower for the IBR plan if you have no outstanding balance on a Direct Loan or FFEL Program loan as of July 1, 2014 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after July 1, 2014. [2]Discretionary income is defined as the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence. Other conditions apply. [3]Partial financial hardship requires that the amount you would be required to pay on your eligible loans under this plan is lower than the amount you would be required to pay on your eligible loans under a Standard 10-year repayment plan.

Pay As You Earn

How do I qualify?

- You must apply and submit required documentation
- You must have a partial financial hardship[3]
- You must have received a disbursement of a new Direct Loan on or after October 1, 2011
- You must not have had an outstanding loan balance on a Direct or FFELP loan as of October 1, 2007, or no outstanding balance on a Direct or FFELP loan when you received a new loan on or after October 1, 2007

What are the key points?

- Your monthly payment will be no more than 10% of your discretionary income[2]
- Your payments will change as your income and family size change
- Any unpaid interest (due to payment amount) is capitalized when you no longer have a partial financial hardship or leave the plan
- Interest will be subsidized for the first three years of the repayment plan for any Subsidized Stafford Loans
- The interest capitalization amount is limited so that your new balance will be no more than 10% greater than the loan amount at the time you entered this plan

What should I consider before choosing this plan?

- Your monthly payments will be lower than they would be under the 10-year Standard Plan
- Any forbearance or deferments applied while in the Pay As You Earn Repayment Plan will follow normal interest capitalizing guidelines
- You'll typically pay more in interest on your loan over time than you would have under the 10-year Standard Plan
- If you haven't paid your loan in full after 20 years of qualifying payments, the remaining balance will be forgiven
- You may have to pay income tax on any amount that is forgiven
- Your partial financial hardship status must be renewed annually through your loan servicer
- Any subsidy period used on a different income-driven repayment plan will count toward the subsidy period of the new plan when transferring to a different plan that offers subsidy
- If you do not renew, your monthly payment amount will change to what would have been required under a 10-year Standard Plan for the balance at the time you entered Pay As You Earn

Which loans are eligible?

- Direct Subsidized and Unsubsidized Stafford Loans
- Direct PLUS loans made to students
- Direct Consolidation Loans (except for those that repaid a parent PLUS loan)

Examples of Income-Driven Repayment Plans

Loan Balance: $30k; AGI: $30k; Unmarried Family of 1

	Standard	ICR	IBR (excluding new borrowers[1] as of July 1, 2014)	IBR (new borrowers[1] as of July 1, 2014) and Pay As You Earn (Direct Loans Only)
Initial Payment	$314	$206	$156	$104
Max Monthly Payment	$314	$270	$314	$314
Term (# of Months)	120	176	176	240
Total Interest	$7,658	$12,297	$13,485	$21,407
Total Paid	$37,658	$42,297	$43,485	$49,744
Amount Forgiven	N/A	N/A	N/A	$1,663

Loan Balance: $60k; AGI: $60k; Married Family of 3

	Standard	ICR	IBR (excluding new borrowers[1] as of July 1, 2014)	IBR (new borrowers[1] as of July 1, 2014) and Pay As You Earn (Direct Loans Only)
Initial Payment	$628	$546	$379	$253
Max Monthly Payment	$628	$669	$628	$628
Term (# of Months)	120	129	155	216
Total Interest	$15,316	$17,284	$22,395	$35,606
Total Paid	$75,316	$77,284	$82,395	$95,606
Amount Forgiven	N/A	N/A	N/A	N/A

Loan Balance: $100k; AGI: $90k; Unmarried Family of 1

	Standard	ICR	IBR (excluding new borrowers[1] as of July 1, 2014)	IBR (new borrowers[1] as of July 1, 2014) and Pay As You Earn (Direct Loans Only)
Initial Payment	$1,046	$1,091	$906	$604
Max Monthly Payment	$1,046	$1,257	$1,046	$1,046
Term (# of Months)	120	106	125	167
Total Interest	$25,526	$22,962	$27,248	$41,051
Total Paid	$125,526	$122,962	$127,248	$141,051
Amount Forgiven	N/A	N/A	N/A	N/A

Loan Balance: $250k; AGI: $90k; Married Family of 3

	Standard	ICR	IBR (excluding new borrowers[1] as of July 1, 2014)	IBR (new borrowers[1] as of July 1, 2014) and Pay As You Earn (Direct Loans Only)
Initial Payment	$2,615	$1,170	$754	$503
Max Monthly Payment	$2,615	$2,865	$2,615	$1,437
Term (# of Months)	120	209	300	240
Total Interest	$63,816	$139,575	$235,426	$215,350
Total Paid	$313,816	$389,575	$472,284	$215,350
Amount Forgiven	N/A	N/A	$13,142	$269,650

Based on current poverty guidelines. Assumes poverty guidelines, income, and family size remain constant throughout analysis period. Does not account for capping of interest due to other events.
[1]You are a new borrower for the IBR plan if you have no outstanding balance on a Direct Loan or FFEL Program loan as of July 1, 2014 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after July 1, 2014. [2]Discretionary income is defined as the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence. Other conditions apply. [3]Partial financial hardship requires that the amount you would be required to pay on your eligible loans under this plan is lower than the amount you would be required to pay on your eligible loans under a Standard 10-year repayment plan.

2014–2015 LOAN REPAYMENT ESTIMATES: LESS THAN $100K

Standard Repayment Plan

The following chart will help you estimate the repayment amount of a student loan. The standard repayment term is 10 years, which means you'll make 120 payments until the loan is paid off. Contact your loan servicer if you have trouble making your payments or to learn more about other repayment options. Find your detailed loan account information, including loan balance and assigned servicer, at **nslds.ed.gov**.

Visit Nelnet.com for loan calculators, mobile apps, and other useful information.

Approximate monthly payment and total accrued interest*

LOAN AMOUNT*	# OF PAYMENTS	4.66% INTEREST RATE		6.21% INTEREST RATE		7.21% INTEREST RATE	
		Payment	Interest	Payment	Interest	Payment	Interest
$5,000	120	$52	$1,265	$56	$1,725	$59	$2,032
$10,000	120	$104	$2,529	$112	$3,449	$117	$4,063
$15,000	120	$157	$3,794	$168	$5,174	$176	$6,095
$20,000	120	$209	$5,059	$224	$6,899	$234	$8,126
$25,000	120	$261	$6,323	$280	$8,623	$293	$10,158
$30,000	120	$313	$7,588	$336	$10,348	$352	$12,190
$35,000	120	$365	$8,853	$392	$12,073	$410	$14,221
$40,000	120	$418	$10,117	$448	$13,797	$469	$16,253
$45,000	120	$470	$11,382	$504	$15,522	$527	$18,285
$50,000	120	$522	$12,647	$560	$17,247	$586	$20,316
$55,000	120	$574	$13,912	$616	$18,971	$645	$22,348
$60,000	120	$626	$15,176	$672	$20,696	$703	$24,379
$65,000	120	$679	$16,441	$729	$22,421	$762	$26,411
$70,000	120	$731	$17,706	$785	$24,146	$820	$28,443
$75,000	120	$783	$18,970	$841	$25,870	$879	$30,474
$80,000	120	$835	$20,235	$897	$27,595	$938	$32,506
$85,000	120	$887	$21,500	$953	$29,320	$996	$34,538
$90,000	120	$940	$22,764	$1,009	$31,044	$1,055	$36,569
$95,000	120	$992	$24,029	$1,065	$32,769	$1,113	$38,601
$100,000	120	$1,044	$25,294	$1,121	$34,494	$1,172	$40,632

To determine the total amount to be repaid, add interest accrued to your total amount borrowed. For example, total repayment principal and interest for a loan of $5,000 at a 7.21% interest rate would be $7,032 ($5,000 principal and $2,032 interest).

*These calculations are based on the given scenario rate on a 10-year standard term; some loan amounts are eligible for an extended repayment term of up to 25 years.

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2014–2015 LOAN REPAYMENT ESTIMATES: $100K OR MORE

Standard Repayment Plan

The following chart will help you estimate the repayment amount of student loans that have a principal balance of $100,000 or more under the **Standard Repayment Plan** (estimates for Extended Repayment Plan shown on next page). The Standard Repayment Plan term is 10 years, so under this plan, you'll make 120 payments before the loan is paid off. Contact your loan servicer if you are having trouble making your payments, or if you want to learn about other repayment options. You can find detailed loan account information, including your loan balance and assigned servicer, at **nslds.ed.gov.**

Visit Nelnet.com for loan calculators, mobile apps, and other useful information and tools.

Approximate monthly payment and total accrued interest

LOAN AMOUNT	4.66% INTEREST RATE		6.21% INTEREST RATE		7.21% INTEREST RATE	
120 Payments	Payment	Interest	Payment	Interest	Payment	Interest
$100,000	$1,044	$25,294	$1,121	$34,494	$1,172	$40,632
$110,000	$1,149	$27,823	$1,233	$37,943	$1,289	$44,696
$120,000	$1,253	$30,352	$1,345	$41,392	$1,406	$48,759
$130,000	$1,357	$32,822	$1,457	$44,842	$1,524	$52,822
$140,000	$1,462	$35,411	$1,569	$48,291	$1,641	$56,855
$150,000	$1,566	$37,941	$1,681	$51,740	$1,758	$60,949
$160,000	$1,671	$40,470	$1,793	$55,190	$1,875	$65,012
$170,000	$1,775	$42,999	$1,905	$58,639	$1,992	$69,075
$180,000	$1,879	$45,529	$2,017	$62,088	$2,109	$73,138
$190,000	$1,984	$48,058	$2,129	$65,538	$2,227	$77,202
$200,000	$2,088	$50,587	$2,242	$68,987	$2,344	$81,265
$210,000	$2,193	$53,117	$2,354	$72,437	$2,461	$85,328
$220,000	$2,297	$55,646	$2,466	$75,886	$2,578	$89,391
$230,000	$2,401	$58,175	$2,578	$79,335	$2,695	$93,455
$240,000	$2,506	$60,705	$2,690	$82,785	$2,813	$97,518
$250,000	$2,610	$63,234	$2,802	$86,234	$2,930	$101,581
$260,000	$2,715	$65,764	$2,914	$89,683	$3,047	$105,644
$270,000	$2,819	$68,293	$3,026	$93,133	$3,164	$109,708
$280,000	$2,924	$70,822	$3,138	$96,582	$3,281	$113,771
$290,000	$3,028	$73,352	$3,250	$100,031	$3,399	$117,834
$300,000	$3,132	$75,881	$3,362	$103,481	$3,516	$121,897
$310,000	$3,237	$78,410	$3,474	$106,930	$3,633	$125,960
$320,000	$3,341	$80,940	$3,586	$110,380	$3,750	$130,024
$330,000	$3,446	$83,469	$3,699	$113,829	$3,867	$134,087
$340,000	$3,550	$85,999	$3,811	$117,278	$3,985	$138,150
$350,000	$3,654	$88,528	$3,923	$120,728	$4,102	$142,213

To determine the total amount to be repaid, add the interest accrued to your total amount borrowed. For example, the total repayment amount of a loan of $100,000 at a 7.21% interest rate would be $140,632 ($100,000 principal and $40,632 interest).

2014–2015 LOAN REPAYMENT ESTIMATES: $100K OR MORE

Extended Repayment Plan

The following chart will help you estimate the repayment amount of student loans that have a principal balance of $100,000 or more under the **Extended Repayment Plan**. The Extended Repayment Plan term is 25 years, so under this plan, you'll make 300 payments before the loan is paid off. Contact your loan servicer if you are having trouble making your payments, or if you want to learn about other repayment options. You can find detailed loan account information, including your loan balance and assigned servicer, at **nslds.ed.gov.**

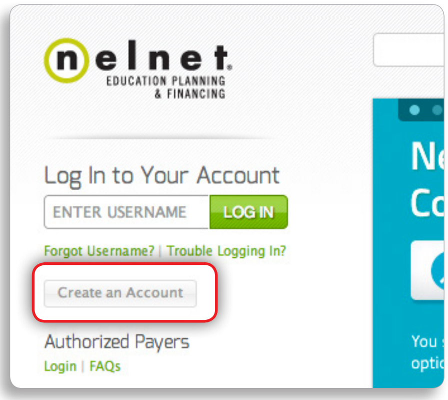
Visit Nelnet.com for loan calculators, mobile apps, and other useful information and tools.

Approximate monthly payment and total accrued interest

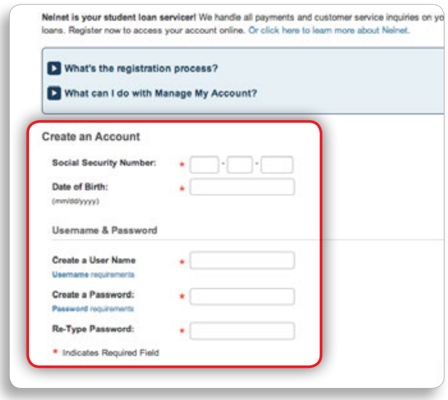
LOAN AMOUNT	4.66% INTEREST RATE		6.21% INTEREST RATE		7.21% INTEREST RATE	
300 Payments	Payment	Interest	Payment	Interest	Payment	Interest
$100,000	$565	$69,486	$657	$97,160	$720	$116,070
$110,000	$621	$76,434	$723	$106,876	$792	$127,677
$120,000	$678	$83,383	$789	$116,592	$864	$139,283
$130,000	$734	$90,332	$854	$126,308	$936	$150,890
$140,000	$791	$97,280	$920	$136,024	$1,008	$162,497
$150,000	$847	$104,229	$986	$145,740	$1,080	$174,104
$160,000	$904	$111,177	$1,052	$155,456	$1,152	$185,711
$170,000	$960	$118,126	$1,117	$165,171	$1,224	$197,318
$180,000	$1,017	$125,075	$1,183	$174,887	$1,296	$208,925
$190,000	$1,073	$132,023	$1,249	$184,603	$1,368	$220,532
$200,000	$1,130	$138,972	$1,314	$194,319	$1,440	$232,139
$210,000	$1,186	$145,920	$1,380	$204,035	$1,512	$243,746
$220,000	$1,243	$152,869	$1,446	$213,751	$1,585	$255,353
$230,000	$1,299	$159,818	$1,512	$223,467	$1,657	$266,960
$240,000	$1,356	$166,766	$1,577	$233,183	$1,729	$278,567
$250,000	$1,412	$173,715	$1,643	$242,899	$1,801	$290,174
$260,000	$1,469	$180,663	$1,709	$252,615	$1,873	$301,781
$270,000	$1,525	$187,612	$1,774	$262,331	$1,945	$313,388
$280,000	$1,582	$194,561	$1,840	$272,047	$2,017	$324,995
$290,000	$1,638	$201,509	$1,906	$281,763	$2,089	$336,602
$300,000	$1,695	$208,458	$1,972	$291,479	$2,161	$348,209
$310,000	$1,751	$215,406	$2,037	$301,195	$2,233	$359,816
$320,000	$1,808	$222,355	$2,103	$310,911	$2,305	$371,423
$330,000	$1,864	$229,303	$2,169	$320,627	$2,377	$383,030
$340,000	$1,921	$236,252	$2,234	$330,343	$2,449	$394,636
$350,000	$1,977	$243,201	$2,300	$340,059	$2,521	$406,243

To determine the total amount to be repaid, add the interest accrued to your total amount borrowed. For example, the total repayment amount of a loan of $100,000 at a 7.21% interest rate would be $216,070 ($100,000 principal and $116,070 interest).

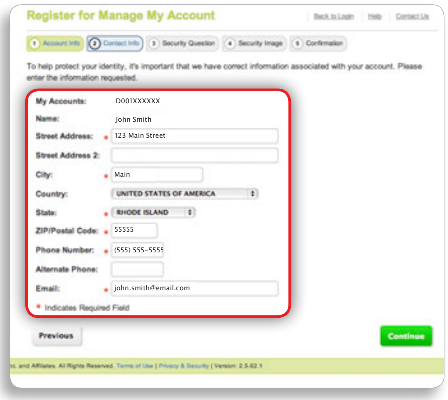
How to Create
YOUR NELNET.COM ACCOUNT



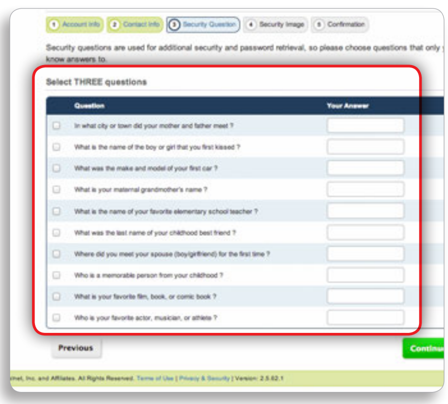
1 Visit Nelnet.com and click Create an Account on the left.



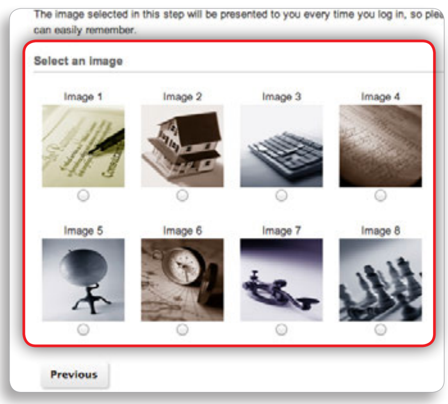
2 Enter your verifying information and create a username and password.



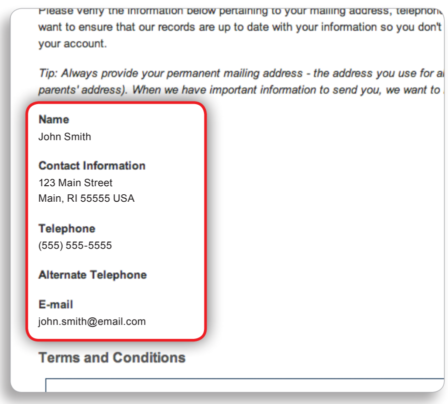
3 Enter your contact information.



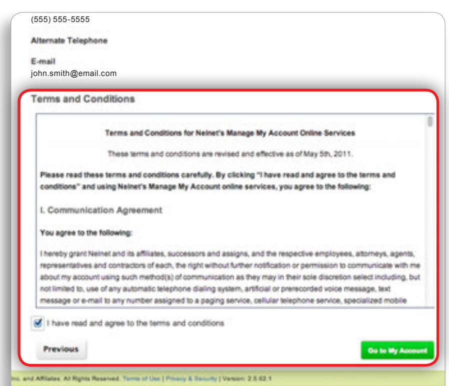
4 Select three security questions to answer in case you ever need to retrieve your password.



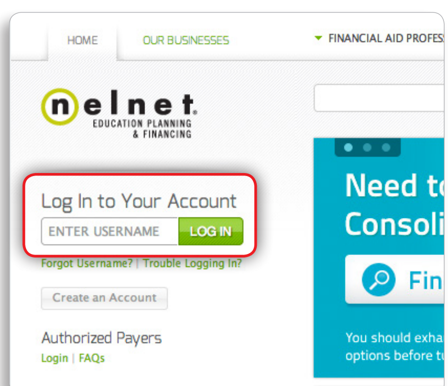
5 Choose a recognizable security image for your account.



6 Confirm your contact information.



7 Read and agree to the Terms and Conditions and click Go to My Account.



8 Log in using your username/password and begin customizing your account!

WITH YOUR NEW NELNET.COM ACCOUNT, YOU CAN:

- Make payments
- Opt for eStatements
- Add authorized payers
- Change your message preferences
- Sign up for text alerts
- Change your repayment plan
- Sign up for automated payments through KwikPay®
- …and much more!

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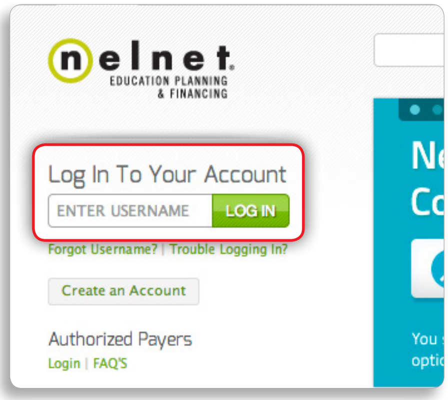
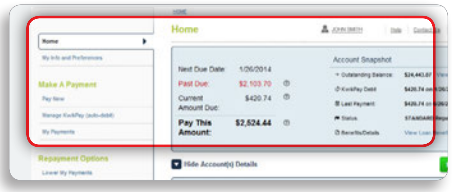
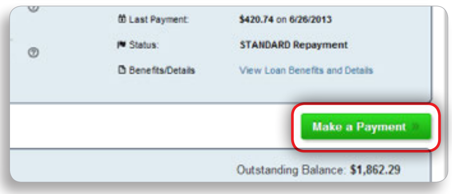
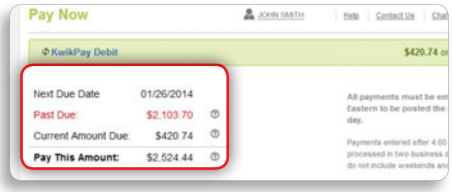
How to Make a Payment
ON NELNET.COM

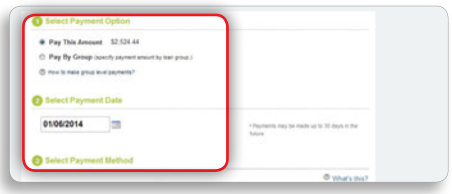




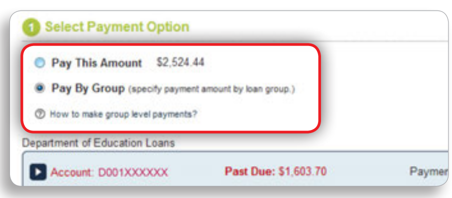


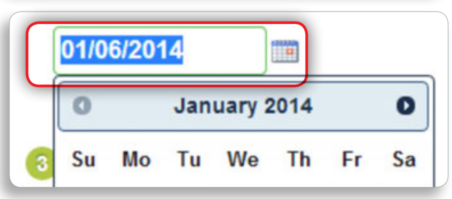
1. Visit Nelnet.com and log in to your Nelnet Account.
2. After logging in, you'll see your current account information.
3. Click on the green Make a Payment button under your account information, or click Pay Now under Make a Payment in the left-hand menu.



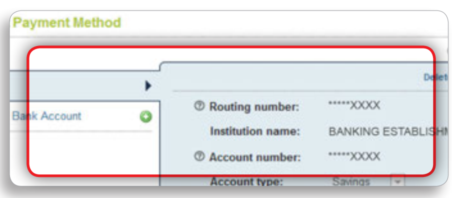


4. Once you're on the payment screen, you'll be able to see your current amount due, including any past-due amounts.
5. Upon verifying your information, select your payment amount, payment date, and payment method.

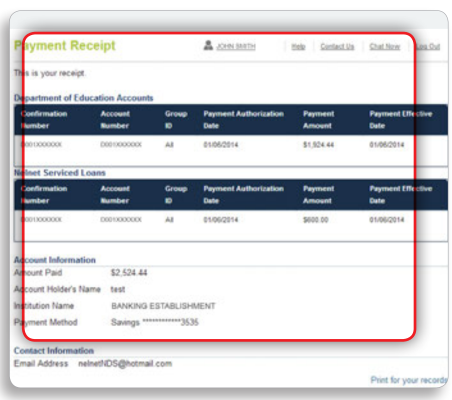




6. Under Select Payment Option, you can pay the current amount due, including any past-due balance. You can also choose to apply any excess funds to specific loan groups.
7. Next, choose your payment date.



8. Finally, you'll be prompted to select your payment method. You can choose to pay with an existing account, or you can add a new bank account.
9. After you click Make a Payment, please confirm your payment details, read and agree to the Terms and Conditions, and click Pay Now.



10. Success! Review your payment receipt and save it for your records.

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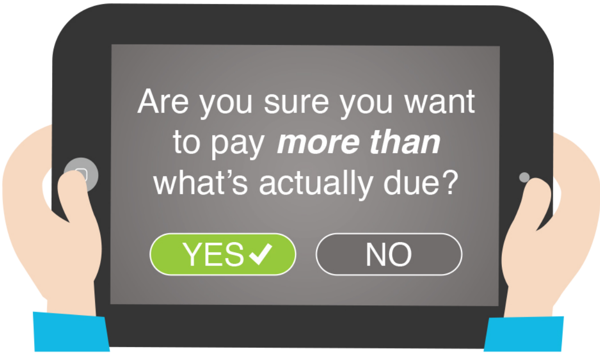
STILL HAVE QUESTIONS? CONTACT US. 888.486.4722 | Help@Nelnet.com | Nelnet.com | fb.com/Nelnet | Twitter.com/Nelnet



WHAT TO KNOW ABOUT PAYING EXTRA

If you're current on your loans and you send us more than your minimum payment amount, it's your choice how the money is applied. Read on to learn what your options are when it comes to paying extra.

Note: If you don't want your extra payment to be applied to future installments, **you must check the box that keeps your next payment due date as is.** If you do not check this box, any extra money will be applied to future payments.

OTHER THINGS TO KEEP IN MIND

When you make a payment—unless you're signed up for Pay As You Earn or Income-Based Repayment—the payment is applied:

1st to fees **2nd to interest** **3rd to principal**

If you have multiple loan groups, you can decide to pay extra on the loan group of your choice. If you do this, it's wise to apply the extra money to the loan with the higher interest rate, which will save you more money in the long run.

SCENARIO #1* > Standard Repayment Plan: *YOU OWE* **$50**. *YOU PAY* **$200**.

	How Your $200 Payment Gets Applied:	Next Payment Due:
✔ If you stipulate that the extra money will not go toward future installments	$50 to current payment; $150 applied to principal. *If there are still fees/interest left after the $50, this will not be the case.*	NEXT MONTH
✖ If you *don't* stipulate that the extra money will not go toward future installments	$50 to current payment; $50 to next month's payment; $50 to 3rd month's payment; $50 to 4th month's payment	IN 5 MONTHS

SCENARIO #2* > Income-Based Repayment Plan: *YOU OWE* **$50**. *YOU PAY* **$100**.

	How Your $100 Payment Gets Applied:	Next Payment Due:
✔ If you stipulate that the extra money will not go toward future installments	$50 to current payment; $50 applied to principal. *If there are still fees/interest left after the $50, this will not be the case.*	NEXT MONTH
✖ If you *don't* stipulate that the extra money will not go toward future installments	$50 to current payment; $50 to next month's payment	IN 2 MONTHS

SCENARIO #3* > Standard Repayment Plan: *YOU OWE* **$50**. *YOU PAY* **$75**.

	How Your $75 Payment Gets Applied:	Next Payment Due:
✔ If you stipulate that the extra money will not go toward future installments	$50 to current payment; $25 applied to principal. *If there are still fees/interest left after the $50, this will not be the case.*	NEXT MONTH
✖ If you *don't* stipulate that the extra money will not go toward future installments	$50 to current payment; $25 to next month's payment	NEXT MONTH *But,* you'll only owe $25.

**Scenarios assume you do not owe more than $50 in unpaid accrued interest and/or fees.*

IT'S EASY TO MAKE YOUR STUDENT LOAN PAYMENT! JUST:

- Visit us online at Nelnet.com.
- Call us at 888.486.4722.
- Download our free Loan Assist mobile app at NelnetMobile.com.
- Send a check to the physical address on your statement.

BROUGHT TO YOU BY nelnet EDUCATION LOAN SERVICING

DEFAULT MANAGEMENT

How to avoid being delinquent or going into default on your student loans

HOW TO AVOID
Delinquency and Default on Your Student Loan

We're here to help educate you on how to make sound financial decisions and stay away from delinquency and default.

What is delinquency?

Your student loan status will become delinquent if your monthly payment is not received by the due date.

What is default?

If your loan becomes 270 days past due, you are legally in default on your student loan. Default is very serious, and the consequences include being reported to credit bureaus and difficulty borrowing money to purchase a car or house.

What are the consequences of default?

Default is serious—that's why we'll do everything we can to help you keep your account current. Consequences for having an account status in default are:

- The entire amount of your loan, including accrued interest and late fees, will become immediately due and payable unless payments are legally postponed with a deferment or forbearance; consult the customer service provider for your student loans (your servicer) for available options.
- Your default will be reported to all national credit bureaus.
- Legal action can be taken against you, and you could be responsible for all attorney fees and court costs.
- A collection agency can be hired to collect the loan balance.
- You will be responsible for paying collection costs.
- Your wages can be withheld (garnished) to pay the loan balance.
- Your federal and state tax refunds can be withheld to pay the loan balance.
- You will not be eligible for any other federal financial aid.
- If your profession requires a license to practice, you can be denied renewal of your professional license until you have made satisfactory arrangements to repay your loan.

Avoid delinquency and default.

Now that we've explained what delinquency and default are and how they can affect you, let's talk about how you can avoid them so you'll never have to worry about dealing with those situations.

Communicating with your servicer is the key to avoiding delinquency and default. Many options are available that can lower or postpone your student loan payments. Stay in touch with your loan servicer—let them know if you've changed your contact information, and make sure that they know when you've completed your educational program or transferred to another school.

To verify which servicers provide customer service for your loans, visit nslds.ed.gov. You will need a PIN to access the site; you can get a copy of your PIN or request a new PIN online at pin.ed.gov. Fill in the lines below to conveniently store your servicer information.

Servicer 1

Name: ______________________________

Phone: ______________________________

Website: ______________________________

Servicer 2

Name: ______________________________

Phone: ______________________________

Website: ______________________________

Servicer 3

Name: ______________________________

Phone: ______________________________

Website: ______________________________

TROUBLE MAKING PAYMENTS?

Explore deferment or forbearance options.

If you find yourself falling behind on your student loans in the form of delinquency or default, consider applying for a deferment or forbearance until you can properly resume payments.

Deferment

A deferment is a period when payment on the principal of a loan is postponed. For subsidized Stafford loans and all or a portion of a subsidized consolidation loan, interest payments are made by the federal government.

After the grace period (the six months after graduating or dropping below half-time student status) has expired, borrowers are entitled to a deferment if they meet regulatory requirements. You should continue making payments on your loan until you're notified the deferment is approved. Your eligibility for a deferment depends on when the loan was made and the individual deferment's requirements. Eligibility for a deferment does not mean you are required to take it—you may choose to continue making payments on your student loan. Any unpaid interest on unsubsidized loans will be capitalized (added to the principal balance) at the end of the deferment period, likely increasing the total balance and your monthly payments.

Most common types of deferments:

- In-School Deferment
- Unemployment Deferment
- Economic Hardship Deferment
- Education Related Deferment
- Service Related Deferments
- Other Deferments:
  Temporary Total Disability, Parental Leave, and Public Service (See Nelnet.com for eligibility requirements and additional available deferments.)

Forbearance

A borrower who is willing but unable to make payments, and does not meet the qualifications for a deferment, may request forbearance. Forbearance allows you to temporarily postpone your payment for a specified period of time. The forbearance will eliminate any delinquency that currently exists on the account, but won't reverse any derogatory credit information previously reported.

No fees are assessed for obtaining forbearance; however, interest will continue to accrue on your loan(s) during the forbearance period. Interest payments may be made at any time during this time. Any unpaid interest at the end of the forbearance period will be capitalized (added to the principal balance). Capitalization of interest will increase the amount that must be repaid and may result in an increased monthly payment amount.

Most common types of forbearances:

- Hardship
- Reduced Payment
- Internship/Residency
- Student Loan Debt Burden
- Department of Defense (DoD) Loan Repayment Program
- Corporation for National and Community Service (CNCS) Loan Repayment Program/Hardship

FOUR EASY WAYS TO AVOID
Delinquency or Default on Your Student Loan

Are you struggling to make your student loan payments? We're here to help with four easy ways to avoid delinquency or default. Now, you can quickly take the necessary steps to take care of your student loan(s).

1. **Nelnet.com:** Log in to your account at Nelnet.com to lower your payments by clicking on the Lower My Payments link—or if you're struggling to make any sort of payment at this time, choose the Postpone My Payment (Deferment/Forbearance) link under the Repayment Options section.
2. **Web Chat:** After you're logged in at Nelnet.com, you can choose to discuss your deferment or forbearance options with one of our professionals via web chat. To access web chat, click on the Chat Now link toward the top right portion of your screen.

   NOTE: The Chat Now link isn't visible in the off hours when the web chat team is not available.
3. **Email:** Want a list of options that will help you avoid delinquency or default? Email us at Help@Nelnet.net and we'll assist you every step of the way.
4. **Phone:** We're on your schedule! Call us 24/7 at 888.486.4722 and simply use the phone prompts to apply for deferment or forbearance. You can also choose to talk with one of our expert customer service representatives to discuss your options.

Don't wait any longer to take care of your student loans. Get the help you need today! We're here to make your student loan experience the best it can be.

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OTHER RESOURCES

Tips, advice, and other odds and ends to help you succeed

ResumeEdge
Resume Experts, at Your Service.

Resume *Guidelines and Standards*

What Makes a Good Resume Great

- **Design:** Select a design that showcases your accomplishments based on your industry. ResumeEdge offers ten different design templates to help you create the most effective resume.

- **Length:** Recruiters and hiring managers prefer that resumes be two pages or less. If more pages are needed, consider a CV service.

- **Qualification (or Opening) Summary:** Use a qualification summary instead of an objective statement. Recruiters and hiring managers want to see what candidates can bring to their organization, rather than simply stating the position they want.

- **Quantified Accomplishments:** A resume should have quantified accomplishments, not simply a reiteration of a job description. Percentages and/or dollar figures with appropriate time frames strengthens your achievements. For example, instead of saying “trained staff on latest accounting software,” show the benefit to the company by saying, “increased productivity 58% within three months of hire by retraining staff on latest accounting software.”

- **Strong Data Prioritization and Organization:** The resume needs to be organized into logical sections. Within each section, present your data in reverse chronological order (your last job or school listed first). Prioritize the information based on value to the recruiter and hiring manager. Information pertinent to the targeted position should be showcased first. For example, if a candidate’s education is the most important qualification, present that section before your work history and other qualifications.

- **Non-Relevant and Repetitive Data:** An effective resume avoids repetition and inclusion of non-relevant information. For example, only include your hobbies and interests if they are relevant to the job. Personal information such as birth date or marital status are generally only included on some overseas resumes.

- **Language:** Use of business language is critical to the professionalism of a resume. Resumes should avoid the use of personal pronouns (e.g., I, my, we) and slang at all times.

Resume Errors to Avoid

✖ **A Document That Reflects Your Personality:** Unless you're in the performing arts or involved in a creative industry, a resume should err on the conservative side—no designer fonts or unusual designs.

✖ **An Exhaustive Listing of Everything You've Done:** Recruiters and hiring managers want recent experience, not all experience. The rule of thumb is to go back 10 years for IT professionals and no more than 15 years for those in other industries. Ideally, a resume should not be longer than two pages.

✖ **A Document That Tells the Recruiter or Hiring Manager What You Want:** Recruiters and hiring managers are interested in what you can bring to their organizations in terms of performance—increasing profits or reducing costs. What you want (your objective) is secondary.

✖ **A Document That Will Guarantee an Interview or Job Offer:** Creating or updating your resume is the beginning of your job search. It cannot guarantee the end result. If your background doesn't closely match the requirements of the job, you will not be called in for an interview, no matter how well your accomplishments are detailed and presented.

✖ **A One-Size-Fits-All Document:** Certainly, there are basic standards for all resumes, such as page length and data prioritization/organization. However, your background is unique and needs to be presented to showcase your skills, not fit a general template used by everyone.

✖ **A Document That Pleases Everyone:** The only audiences that matter are recruiters and hiring managers. Relatives, friends, and colleagues may have good intentions when offering suggestions, but they are not experts in resume writing.

✖ **A Document That Is Perfect in Every Way:** Recruiters and hiring managers aren't going to make their interviewing or hiring decisions based on minor variances in word choice. They are looking for skills that you can bring to their organization, not whether you used the word "oversaw" rather than "managed."

ResumeEdge
Resume Experts, at Your Service.

Interview
Guidelines and Standards

Tips for a Successful Interview

- Be prepared. Make sure you've researched the organization and the job to which you're applying. Practice for the interview before you get there, so you'll feel comfortable with the questions that you're asked.
- Respect the interviewer's time—ensure that you arrive 5-10 minutes early for the interview.
- Be respectful of everyone you meet—this includes administrative assistants and other office personnel. Negative interactions or poor manners will make their way back to the interviewer.
- Remember your interviewer's name, and make sure to repeat it periodically during the interview when addressing the individual.
- Pay attention to both verbal and non-verbal cues. If the interviewer appears particularly interested in what you're saying, expand upon it.
- Ask how your role in the company can positively influence the company's bottom line.
- Be friendly, interested, engaged, and confident—but not arrogant.
- At the end of the interview, thank the interviewer for their time and ask when you might expect a follow-up communication.
- When the interview is ending, close by reemphasizing your qualifications and why you are a good fit for the job.
- Don't forget to send a thank you note!

Avoid These Common Interview Missteps

- ✖ Be confident, not arrogant. Don't behave as if the job is already yours.
- ✖ Never interrupt or talk over the interviewer.
- ✖ Refrain from asking about salary or benefits unless it is brought up by the interviewer.
- ✖ Don't speak poorly of your current or former employers.
- ✖ Don't mistake an interviewer's politeness for more than it is. Remain professional and don't be too familiar.
- ✖ Don't bring up anything negative about the company you're interviewing with, even if they've gotten bad press.
- ✖ Use appropriate English and business language. Avoid slang.
- ✖ Don't let your body language (e.g., squirming in your seat) give away the fact that you're nervous. Try to calm down and focus on your attributes.
- ✖ Don't appear desperate for the position, no matter how much you want it.
- ✖ Don't dwell on your deficiencies—we all have them. Concentrate on your strengths and convey them to the interviewer.

STUDENT LOAN TERMS TO KNOW

Definition of words related to federal student loans and the Nelnet payment process.

Accrue

The act of interest accumulating on the borrower's principal balance.

Aggregate Loan Limit

The maximum total outstanding loan debt the borrower is allowed when graduating or finishing school.

Adjusted Gross Income (AGI)

AGI is the adjusted gross income as reported by the Internal Revenue Service, and is calculated as gross income minus pre-tax deductions. The AGI can be found on a federal income tax return form (1040, 1040A, 1040EZ). This information is required when applying for repayment plans such as Income-Based Repayment or Income-Contingent Repayment.

Amount Due

Generally, the minimum monthly payment the borrower must make by the due date, not the total amount owed.

Annual Percentage Rate (APR)

The total annual interest cost of a loan.

Award Letter

An official document issued by the school's financial aid office listing all the financial aid awarded. The award letter details Cost of Attendance and terms and conditions for the financial aid.

Borrower

The individual who applies for, receives, and is responsible for paying back a loan.

Campus-Based Aid

Financial aid programs, like Perkins Loans and Federal Work-Study, administered by the college or university. The federal government provides each institution with a fixed annual allocation, often matched or exceeded by that institution, that is awarded to students based on financial need.

Capitalization

The addition of unpaid accrued interest to the principal balance of a loan. When the interest is not paid as it accrues during periods of in-school status, the grace period, deferment, or forbearance, your lender may capitalize the interest. This increases the outstanding principal amount due on the loan, and may increase your monthly payment amount. Interest is then charged on that higher principal balance, increasing the overall cost of the loan.

Certification

A process by which the school verifies that you are enrolled at least half-time, are making satisfactory academic progress, and are eligible for federal student loans. Certification must be made prior to any disbursement of loan funds.

Co-Borrower/Co-Signer

An individual who signs the loan promissory note with the borrower and is equally responsible for repaying the debt.

Cost of Attendance (COA)

The estimated cost of educational expenses for a period of enrollment, which usually includes tuition, fees, room, board, supplies, transportation, and miscellaneous personal expenses as determined by the school.

Consolidation

Combining multiple loans reduces the monthly payment amount and/or increases the length of the repayment period.

Credit Report

A report produced by a credit bureau and provided to a lender for the lender to determine a borrower's creditworthiness. The report includes a listing of debts, including accounts past due. The credit report will also include information about bankruptcy, if applicable.

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Credit Bureau

An agency that collects personal and financial information from various sources about consumers. The agency retains information about the types and amounts of credit a borrower has obtained, as well as timeliness in making payments, as reported to the agency by the various lenders that have made loans to the borrower.

Credit Score

A number, generally between 300 and 850, provided in a credit report and used by a lender as a predictive indicator of the borrower's likelihood to repay a loan.

Data Release Number (DRN)

The four-digit number assigned to your FAFSA® that allows you to release your FAFSA data to schools you did not list on your original FAFSA. You need this number if you contact the Federal Student Aid Information Center to make corrections to your mailing address, or to the school information you listed on your FAFSA. You can find this number below the confirmation number on your FAFSA submission confirmation page, or in the top right-hand corner of your Student Aid Report (SAR).

Default

The failure of a borrower to repay a loan according to the terms of the promissory note. Default occurs at 270 days delinquent, and has a negative effect on a borrower's credit score.

Deferment

A period during which borrowers may postpone loan payments. For certain types of loans, the federal government pays the interest that accrues during a deferment period. For unsubsidized loans, borrowers are responsible for paying the interest that accrues during a deferment period, and any unpaid interest is added to the loan balance when the deferment ends (this is called capitalization).

Delinquency

Failure to make loan payments when due. Delinquency begins with the first missed payment.

Dependent Student

An undergraduate student whose parents provide over half of his or her financial support. If a student is single, under 24 years of age, has no legal dependents, is not an orphan or ward of the court, and is not a veteran of or serving on active duty in the U.S. Armed Forces, he or she is a dependent student. Parents of a dependent student must submit parental information on the FAFSA for their child to be considered for financial aid.

Direct Consolidation Loan

Offered by the Department of Education, this program lets borrowers combine one or more eligible federal student loans into one new Direct Consolidation Loan, with the Department of Education as the new lender. If borrowers have multiple loans with multiple lenders, this option offers the opportunity to make only one monthly payment to one servicer.

Disbursement

The release of loan funds to the school. Disbursements are usually made in equal, multiple installments co-payable to the borrower and the school.

Due Date (Payment Due Date)

The month, day, and year the next payment is due.

Expected Family Contribution (EFC)

Amount a student's family is expected to contribute to the cost of education based on the family's income, net assets, savings, size, and number of children in college.

Effective Date

The date that a purchase, cash advance, fee, service charge, or payment is effective on a charge or credit account.

Endorser

An individual who signs the loan promissory note with the borrower and is secondarily responsible for repaying the debt if the borrower does not.

Enrollment Status

Indicates whether a student is enrolled full-time or part-time. Generally, students must be enrolled at least half-time to qualify for financial aid. Schools may have differing criteria for half-time and full-time enrollment.

Entrance Counseling

Borrowers with federal education loans are required to receive counseling before the first loan disbursement is made. During this counseling, the borrower's rights, responsibilities, and loan terms and conditions are reviewed. This session may be conducted online, by video, in person with the financial aid administrator (FAA), or in a group meeting.

Exit Counseling

Borrowers with federal education loans are required to receive counseling before graduation or if they cease to be enrolled at least half-time. During this counseling, the borrower's rights, responsibilities, and loan terms and conditions are reviewed. This session may be conducted online, by video, in person with the financial aid administrator (FAA), or in a group meeting.

Financial Aid Administrator (FAA)

A college employee involved in the administration of financial aid.

Free Application for Federal Student Aid (FAFSA)

The free form that must be completed by students and parents applying for federal student aid.

FAFSA4caster

An online tool designed to help students financially plan for college and get an early estimate of federal student aid eligibility.

Federal Direct Loan Program (FDLP)

The William D. Ford Federal Direct Loan Program offers Stafford, PLUS, and consolidation loans directly from the federal government. The lender is the Department of Education. These are often referred to as Direct Loans, and are serviced by companies like Nelnet.

Federal Family Education Loan Program (FFELP)

The Federal Family Education Loan Program offered Stafford, PLUS, and consolidation loans financed by lenders and guaranteed by the federal government. This program ceased on June 30, 2010.

Federal Student Aid (FSA)

An office of the U.S. Department of Education that is responsible for administering the federal financial aid programs. The Department funds all Direct Loans, owns some FFELP loans, and utilizes various servicing companies, one of which is Nelnet.

Federal Work-Study Program

A federal program that provides part-time jobs, generally on campus, for undergraduate and graduate students with financial need, allowing students to earn money to help pay education expenses.

Finance Charge

The total amount of interest that will be paid over the life of a loan when the loan is repaid according to the repayment schedule.

Financial Aid

Financial assistance to pay for education expenses, which can include scholarships, grants, work-study, and loans.

Financial Aid Package

The combination of financial aid (loans, scholarships, grants, work-study) determined by the financial aid office of a college.

Financial Need/Eligibility

The difference between the Cost of Attendance (COA) at a college and the Expected Family Contribution (EFC).

Forbearance

Forbearance allows a borrower to temporarily postpone making payments, or to make lower payments, on a loan for a specific length of time.

General Educational Development Certificate (GED)

Certificate a student receives when passing the approved high school equivalency test. A student that does not have a high school diploma but has a GED can qualify for federal student aid.

Gift Aid

Financial aid, such as grants and scholarships, which does not need to be repaid.

Grade Point Average (GPA)

An average of a student's grades, where the grades have been converted to a numerical scale, such as 4.0 being an A, 3.0 being a B, 2.0 being a C, 1.0 being a D, and 0 being an F.

Grace Period

Specified period of time, usually six months, between the date a student graduates or drops below half-time status and the date loan repayment begins on certain types of federal student loans. Borrowers do not have to make payments during this time, but can get started in order to pay less interest.

Graduate Student

A student who has obtained a bachelor's degree and is seeking an advanced degree.

GradPLUS Loan for Graduate and Professional Students

Federal loans available to graduate and professional students to pay for education expenses.

Grants

Financial aid awards that do not have to be repaid. Grants are available through the federal government, state agencies, and colleges.

Gross Income

Income from all sources prior to deductions for taxes and other elections like 401(k) contributions.

Guarantee

An agreement between a FFELP lender and a guarantor that states the guarantor will reimburse the lender for some portion of a loan if the borrower fails to repay a loan and the lender has met all servicing requirements.

Guarantor/Guaranty Agency

State agency or private non-profit organization that administers the FFEL Program and guarantees student loans made under this program on behalf of the federal government.

Half-Time Enrollment

An academic workload, as determined by the school, which includes at least half of the academic workload required by federal regulations for full-time enrollment in a program of study. Students must attend school at least half-time to be eligible to receive federal student loans. The number of classes that must be taken to be considered half-time is determined by the school.

In-School

Student status when enrolled at least half-time.

Income

The amount of money received from employment, profit, or other sources (welfare, disability, child support, Social Security, and pensions).

Income-Based Repayment (IBR)

Monthly payments based on the adjusted gross income (AGI), family size, and poverty guidelines for a borrower's state of residence, rather than the amount of the loan. Any debt remaining after 25 years of payments under IBR is forgiven (FFELP and Direct loans).

Income-Contingent Repayment (ICR)

Monthly payments based on the adjusted gross income (AGI), family size, poverty guidelines for the borrower's state of residence, and Direct Loan debt at the time of repayment. Any debt remaining after 25 years of payments under ICR is forgiven (Direct loans only).

Independent Student

If a student is married, 24 years of age or older, enrolled in a graduate or professional education program, has legal dependents other than a spouse, is an orphan or ward of the court, currently serves active duty in the U.S. Armed Forces for purposes other than training, or is a veteran of the U.S. Armed Forces, he or she is an independent student.

Initial Disclosure Statement

A statement provided to the borrower prior to or at the time of a loan's first disbursement that lists the lender name and contact information, the principal loan amount, the dates when loan funds will be disbursed, interest rate, and amount of any loan fees collected by the lender.

Institutional Loan

Loans made by a school to its students. The school is the lender, and the funds must be repaid to the school.

Interest

An amount, calculated as a percent of the principal loan amount, which is charged for borrowed money.

Interest Rate

The rate at which interest is calculated on a borrower's loan(s).

Internship

Part-time or full-time job during the academic year or the summer months in which a student receives supervised practical training in a field of interest.

Lender

A bank, agency, or school that loans money to a borrower. The Department of Education is also a lender.

Lifetime Learning Tax Credit

A federal income tax credit that can be claimed for qualifying tuition and education expenses paid by a borrower during the tax year. The credit is equal to 20% of out-of-pocket expenses for qualifying tuition and education expenses of all eligible family members, up to a maximum of $10,000 in expenses. Only one credit may be claimed per tax year.

Loan Discharge

Federal student loans can be discharged (written off) in the event that a school closes while a borrower is attending, the loan is falsely certified by a school official, the school fails to pay a refund, or the borrower is a victim of identity theft, becomes totally and permanently disabled, or dies.

Loan Fee

A fee a borrower pays. It is deducted proportionately from each loan disbursement.

Loan Servicer/Servicer

An organization hired by a lender or the Department of Education to administer student loans. Loan servicing includes disbursing loan funds, monitoring enrollment status, collecting payments, and assisting borrowers during repayment of their loans.

My Secure Messages

The secure online inbox that stores correspondence and statements from Nelnet if a borrower opts to receive them electronically.

Merit-Based

A means of determining eligibility for certain types of financial aid using merit, such as talents or accomplishments, as the determining factor.

Minimum Monthly Payment

The smallest monthly payment amount that can be made for a loan account to remain in a current repayment status.

Master Promissory Note (MPN)

The promissory note a student or parent borrower signs when taking out a Stafford or PLUS loan. Borrowers may obtain multiple loans under a single Master Promissory Note.

Need-Based

A means of determining eligibility for certain types of financial aid using financial need as the determining factor.

National Student Loan Data System (NSLDS)

A centralized database that stores information on all federal loans and grants. NSLDS also contains borrowers' school enrollment information.

Origination Fee

Fee payable by the borrower and deducted from the principal of a loan prior to disbursement. For federal loans, the origination fee is paid to the federal government to offset the cost of the borrower's interest subsidy. For private loan programs, the origination fee is generally paid to the lender to cover the cost of administering and insuring the program.

Parent Borrower

Parents who have at least one Federal PLUS Loan to finance their dependent child's education.

Partial Financial Hardship

A calculation using the difference between the borrower's adjusted gross income (AGI) and the poverty guideline for his or her family size and state of residence. The result determines eligibility for income-driven repayment plans.

Pay As You Earn

Caps monthly payments at 10% of your discretionary income or, if married and filing a joint federal income tax return, 10% of your combined discretionary income. Under this plan, the borrower's remaining student loan balance will be forgiven after they have made the equivalent of 20 years of qualifying payments.

Pell Grant Program

A federal program that provides need-based grants to low-income students in order to provide access to higher education. Grant amounts are dependent on your Expected Family Contribution (EFC), the Cost of Attendance (COA) as determined by the school, enrollment status (full-time or part-time), and whether a student attends for a full academic year or less.

Federal Perkins Loan Program

The Federal Perkins Loan Program offers low-interest loans funded by the federal government and administered by the school to undergraduate and graduate students. The loan amount received depends on the student's financial need and the availability of funds at the school.

Personal Identification Number/Federal Student Aid PIN

A number that serves as the borrower's identifier to allow access to personal information in various Department of Education systems, such as the National Student Loan Data System (NSLDS). Borrowers use their PIN to electronically sign the online FAFSA, consolidation loan application, promissory note, and deferment or forbearance forms.

PLUS Loan for Parents

Federal loans available to parents of dependent students to pay education expenses. In the case of parent PLUS loans, the parent is responsible for the debt, not the student.

Posting Date

The date that a purchase, cash advance, fee, service charge, or payment is recorded on a charge or credit account.

Prepayment/Paid Ahead

The amount paid in excess of the monthly payment amount due on a loan. A prepayment will first be applied to any outstanding fees and charges, next to outstanding interest, and then to the principal balance of the loan(s).

Private Loan

Loans offered by banks, other financial institutions, and schools to parents and students to pay educational expenses. Private loans are based on credit, more expensive, and not guaranteed by the federal government.

Promissory Note

The binding legal document a borrower signs for a student loan, which lists the terms and conditions of the loan as well as the borrower's rights and responsibilities. For federal loans, the promissory note is also known as the Master Promissory Note (MPN).

Reference

A person the borrower lists on a loan promissory note as someone who knows and can provide information about him or her. References are not co-signers and are not responsible for repaying the loan.

Refund

The total amount of unused education expenses. These funds are often returned to the borrower via paper check, direct deposit, or prepaid debit card. Some schools make the borrower request the proceeds, while others automatically send the refund.

Rehabilitation

The process of bringing a loan out of default and removing the default notation on a borrower's credit report.

Repayment

The period of time during which the borrower is required to make payments on a loan. The repayment period can be shortened if the borrower makes additional payments.

Repayment Incentive

A benefit that a lender offers borrowers to encourage them to repay their loans on time. For example, under a repayment incentive program, the interest rate charged on borrowers' loans might be reduced if they make automatic monthly payments, or the principal balance on the loan might be reduced after making a certain number of on-time consecutive payments. Note: These incentives are not available for Direct Loans.

Repayment Plan

A schedule agreed upon by both a borrower and a lender regarding repayment of a loan. Changing repayment plans is a good way to manage your loan debt when your financial circumstances change to be less favorable. For example, borrowers can usually lower their monthly payment by changing to another repayment plan, if eligible, that has a longer term in which to repay the loan. There are no penalties for changing repayment plans.

Repayment Schedule

A statement provided by the loan servicer to the borrower that lists the amount borrowed, the amount of monthly payments due, and the date payments are due.

Student Aid Report (SAR)

A report sent to the borrower by the federal government, which summarizes financial and other information reported on the Free Application for Federal Student Aid (FAFSA). The report includes the Expected Family Contribution (EFC).

Schedule of Repayment Disclosure

A statement provided to the borrower prior to the loan entering repayment. The statement lists the principal amount, payment amount, payment due date, finance charge, and interest rate.

Scholarships

Financial aid awards that do not have to be repaid. Scholarships are typically reserved for students with special qualifications, such as academic, athletic, or artistic talent or who are part of a cultural, ethnic, or geographic group.

Selective Service Registration

Registration with the federal agency that administers the military draft, which is required to receive federal financial aid. The requirement to register applies to males who were born on or after January 1, 1960, are at least 18 years old, are United States citizens or eligible non-citizens, and are not currently on active duty in the U.S. Armed Forces.

Servicer

A loan servicer is a company that is contracted by the federal government to handle billing and other services for federal student loans.

Social Security Number (SSN)

Unique nine-digit number assigned by the Social Security Administration. The SSN is used as an identifier for students and parents seeking any type of federal financial aid.

Stafford Loans

Federal loans available to students to pay education expenses. For certain types of loans, the Department of Education pays the interest that accrues during in-school and deferment periods.

Student Loan

A type of financial aid that is available to students and their parents. Student loan programs have varying interest rates and repayment provisions. Student loans must be repaid.

Subsidized

Refers to the interest that the borrower is not responsible for paying on their student loan. While the borrower is in school, the federal government pays the accrued interest on subsidized loans. Subsidized loans are awarded based on financial need.

Transcript

A list of all the courses that a student has taken at a particular high school or college, with the grades earned in each course. Transcripts are usually required for college admission.

Total Amount Repaid

The total amount borrowers are expected to pay over the life of the loan (the full repayment term), including principal and interest.

Truth in Lending Disclosure

A statement provided to the borrower prior to or at the time of disbursement of a private loan that lists the lender name and contact information, amount financed, annual percentage rate (APR), finance charge, payment amount and schedule, and total repayment amount.

Tuition

The amount charged by colleges for classroom and other instruction.

Undergraduate Student

A degree-seeking student at a college or university who has not earned a bachelor's degree.

Unsubsidized

Interest on unsubsidized loans will accrue interest from the time the loan is disbursed to the school. Borrowers have the option to pay the interest as it accrues. If not paid while in school, it is added to the principal balance (capitalized) when it's time to repay the loan.

Variable Interest

The rate of interest charged on a loan. The rate changes annually and fluctuates with a stated index.

Verification

A process used by schools to ensure information reported on the Free Application for Federal Student Aid (FAFSA) is accurate, such as requesting a copy of the student's or parents' tax returns.

W-2

The federal form that lists an employee's wages and taxes withheld. The IRS requires employers to issue a W-2 for each employee generally by January 31.

LEAVING SCHOOL

What to know when entering grace and/or repayment

SERVICER CONTACT INFO

Please check all that apply, and fill out the account number(s) and loan amount(s).

☐ FedLoan Servicing (PHEAA)

p: 800.699.2908 | **w:** www.myfedloan.org

Send payments to:

Department of Education
FedLoan Servicing
P.O. Box 530210
Atlanta, GA 30353-0210

General correspondence:

FedLoan Servicing
P.O. Box 69184
Harrisburg, PA 17106-9184

Account Number	Loan Amount
1	
2	
3	
4	

☐ Great Lakes Educational Loan Services

p: 800.236.4300 | **w:** www.mygreatlakes.org

Send payments to:

Your payment mailing address may vary depending on several factors. Please call or log in to your account to get the correct mailing address for your loans.

General correspondence:

Great Lakes
P.O. Box 7860
Madison, WI 53707-7860

Account Number	Loan Amount
1	
2	
3	
4	

☐ Sallie Mae

p: 888.272.5543 | **w:** www.salliemae.com

Send payments to:

Sallie Mae, Inc.
P.O. Box 9533
Wilkes-Barre, PA 18773-9533

General correspondence:

Sallie Mae, Inc.
P.O. Box 9500
Wilkes-Barre, PA 18773-9500

Account Number	Loan Amount
1	
2	
3	
4	

☐ Nelnet

p: 888.486.4722 | **w:** www.nelnet.com

Send payments to:

Accounts starting with an "E":
Department of Education
P.O. Box 740283
Atlanta, GA 30374-0283

Accounts starting with a "D":
Nelnet
P.O. Box 2970
Omaha, NE 68103-2970

Accounts starting with a "J":
Nelnet
P.O. Box 2877
Omaha, NE 68103-2877

General correspondence:

Nelnet
P.O. Box 82561
Lincoln, NE 68501

Account Number	Loan Amount
1	
2	
3	
4	

☐

p: | **w:**

Send payments to:

General correspondence:

Account Number	Loan Amount
1	
2	
3	
4	

nelnet® EDUCATION LOAN SERVICING

ENTRANCE AND EXIT COUNSELING CHECKLIST

ENTRANCE COUNSELING

___ You must abide by the requirements set forth in your Master Promissory Note (MPN).

___ Your MPN is an official contract between you and your lender. The MPN contain(s) the interest rate, fees, and repayment terms of your loan.

___ You must repay your loan, including all accrued or capitalized interest, as well as fees that you have incurred.

___ You understand that you are legally obligated to pay back your loan if:

- You don't graduate or complete your education
- You cannot find employment
- You are not satisfied with the education or other services you received from your school
- Your loan is sold to another party

___ If you do not repay your loans, you will be in default, and the following actions may be taken against you:

- The entire amount of your loan, including accrued interest and late fees, will become immediately due and payable.
- Your default will be reported to all national credit bureaus.
- You will no longer qualify for deferment or forbearance options.
- Legal action can be taken against you. You could then be responsible for all attorney fees and court costs.
- A collection agency can be hired to collect the loan balance. You will be responsible for paying collection costs.
- Your wages can be withheld (garnished) to pay the loan balance.
- Your federal and state tax refunds can be withheld to pay the loan balance.
- You will not be eligible for any other federal financial aid.
- If your profession requires a license to practice, you can be denied renewal of your professional license until you have made satisfactory arrangements to repay your loan.

___ You have been shown average anticipated monthly payment amounts for student loans made to borrowers at your school in your program of study.

___ You understand that you must complete exit counseling before you graduate from school or drop below half-time status. This process allows you to fully understand your rights, responsibilities, and repayment options before you begin making payments on your loan.

EXIT COUNSELING

___ You have been shown average anticipated monthly payment amounts for student loans and have been provided with information regarding debt management strategies.

___ Multiple repayment plans may be available to you.

___ You will be able to access a payment schedule for your student loans that includes information about your servicer and details of your loan including the loan balance, interest rate, fees, and amount and number of payments.

___ You may prepay all or part of your loan without penalty.

___ You may apply for deferment (postponement) of your loan payment, and you understand that you may or may not qualify for deferment options. Contact your servicer for details on various options.

___ You may request forbearance from your lender or servicer if you are not able to make payments but do not qualify for deferment. Your servicer will determine if you will receive the forbearance.

___ You may obtain a full or partial forgiveness or discharge of your loan depending on your specific circumstances.

___ It is your responsibility to inform your servicer within 10 days if you:

- Change your address, phone number, name, or Social Security Number
- Change your expected employer
- Withdraw from school or drop below half-time status
- Change your anticipated graduation date
- Re-enroll in school or transfer to another school

___ You will be notified in writing if your loan is transferred, and you understand that upon transfer, you must correspond directly with the new servicer.

___ You can access your complete loan history from the National Student Loan Data System (NSLDS) at nslds.ed.gov. You will need your PIN that you received from the Department of Education when you completed your FAFSA®.

___ You can contact the Federal Student Aid Ombudsman's office at 877.557.2575 if you have problems with your loan that cannot be resolved through regular channels.

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