



# HARVARD UNIVERSITY EMPLOYEES CREDIT UNION

Student Loan Repayment & Refinancing



# Today's Webinar

## **Reducing Background Noise**

We've muted all attendees to help with audio quality.

## **Using the "Q&A" Feature**

Submit questions at any point.

## **Handouts & Presentation Recording**

This presentation is being recorded and will be posted on our YouTube channel (@myHUECU) to re-watch.

## **Post-Workshop Survey**

Take our post-workshop survey and let us know how we did.

Assessment, Short-term Problem Solving and Referral

# MGB Employee Assistance Program



## Personal & Well-being

Stress/Resilience  
Depression/Anxiety  
Domestic Violence  
Grief/Loss  
Addictions  
Relationships

## Workplace

Staff Support During Difficult Times  
Manager Consultations  
Workplace Issues  
Work & Life Webinars / Seminars

## Family & Life

Childcare  
Financial  
Eldercare  
Legal  
Parenting  
Lactation



# The Credit Union Difference



## Better Value

As a not-for-profit, HUECU puts members first in the form of better rates on savings and loans, lower & fewer fees, and more free services and perks.

## Better Service

Credit unions consistently outperform banks in metrics of customer service and satisfaction. You have a name not just an account number here.

## Better Business Model

The member controlled co-op model is always focused on operating in the best interests of our members.

## Better For the Community

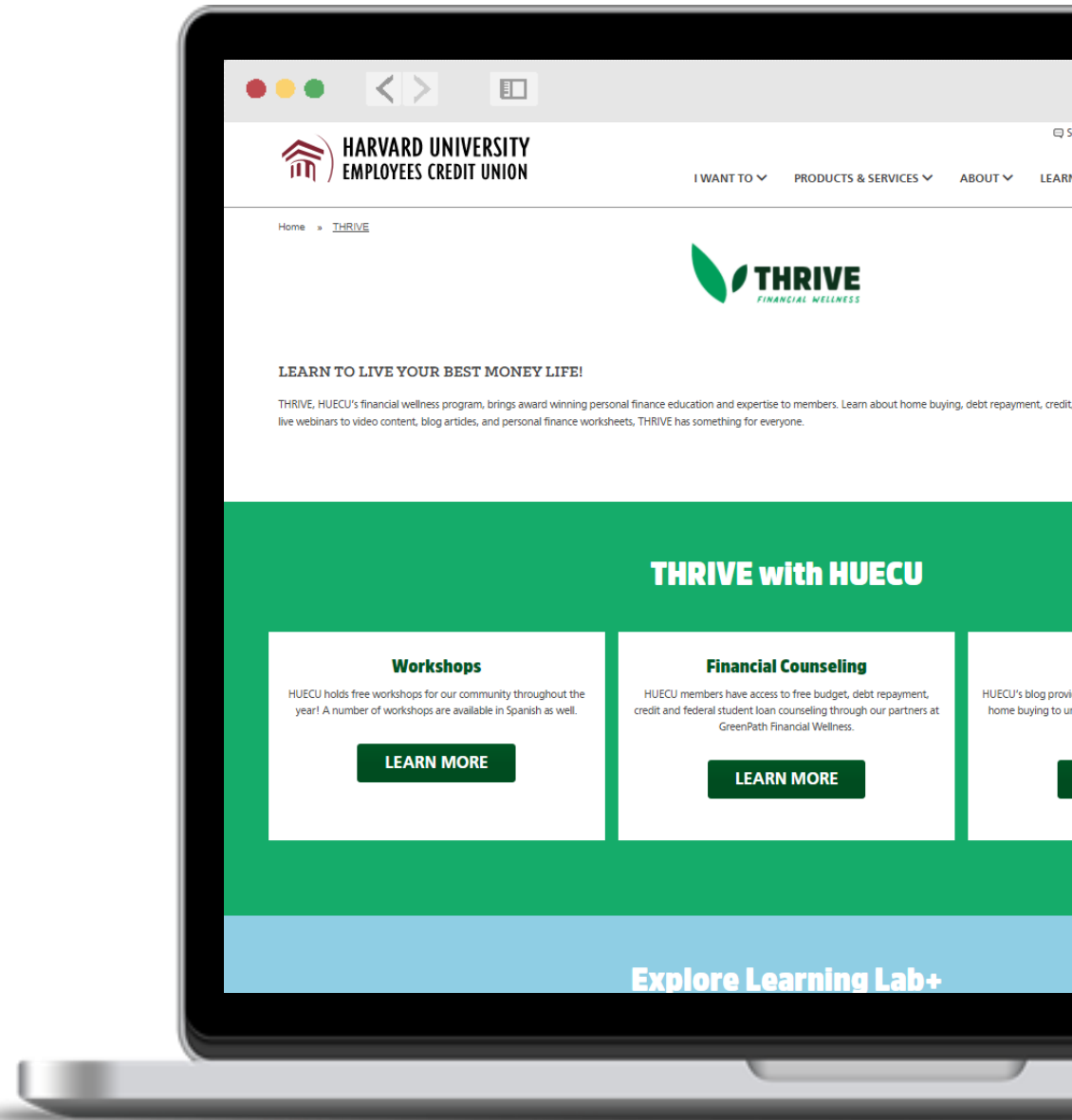
Your money stays local when you bank with HUECU. We give back to our community by offering financial education programs and support for local charitable organizations.

# THRIVE

## Financial Wellness

Free Financial Counseling, Blogs, Workshops, Worksheets, Short Videos, Calculators and online education portal.

**HUECU.ORG/THRIVE**



# Steps To Student Loan Repayment

1

## Your Student Loans

Understand what types of loans you have.

2

## Repayment Options

Know what your repayment options are.

3

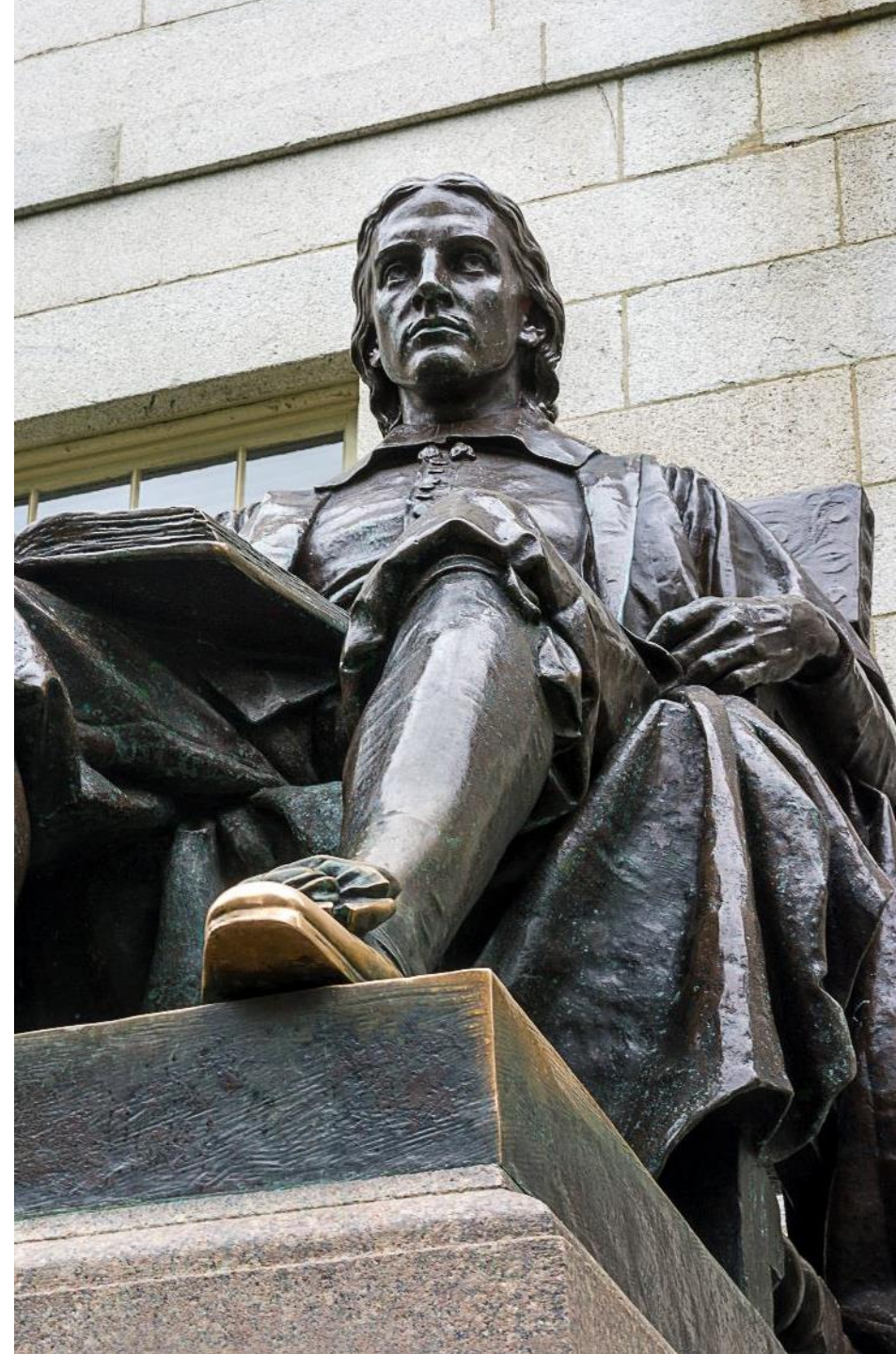
## Research

Research your federal forgiveness and discharge options.

4

## Refinancing Options

Consider if refinancing is an option for you.







# STEP 1

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Understand your loans.

# Types of Student Loans

1

## Federal

Direct subsidized and unsubsidized, and PLUS (parent and graduate).

2

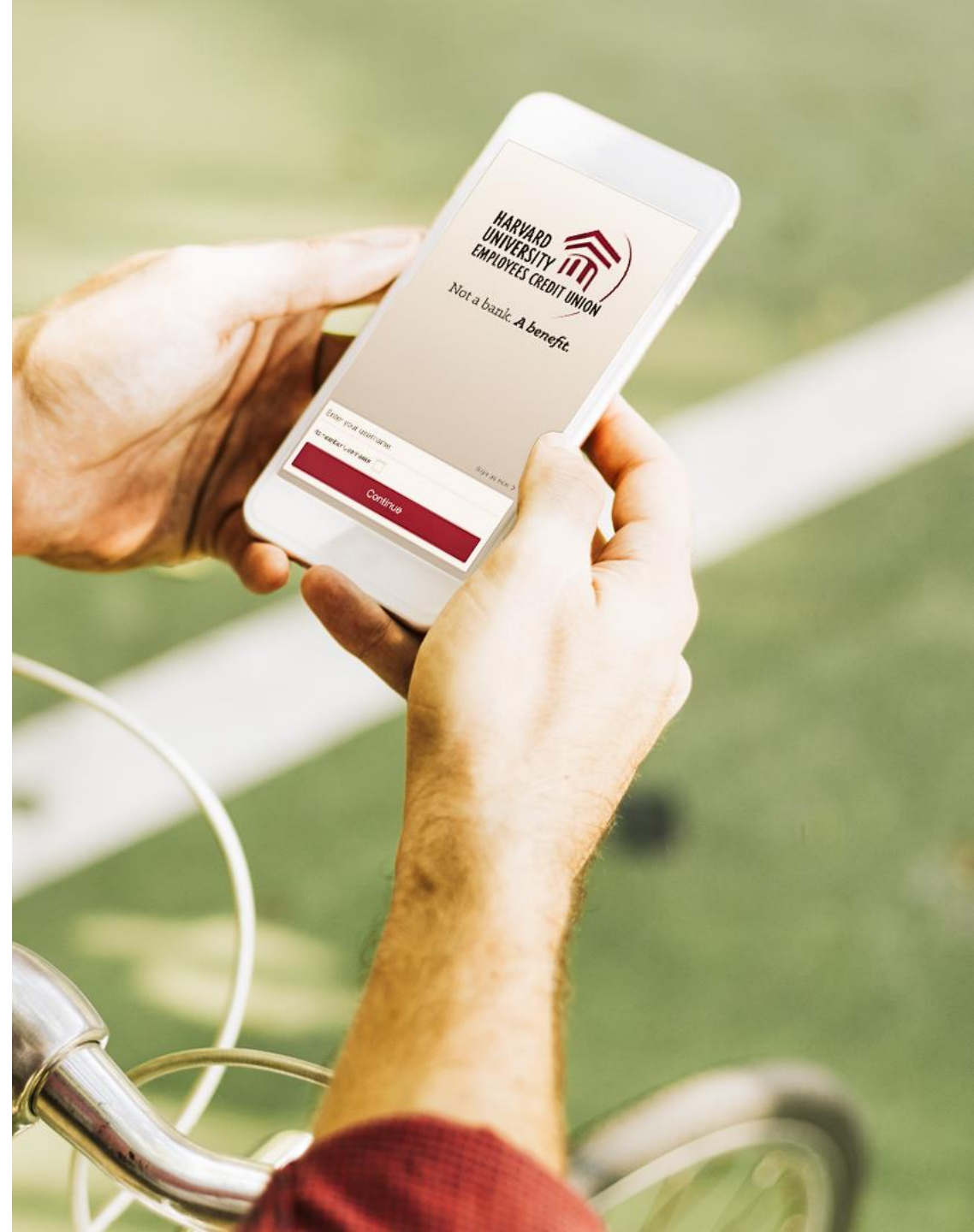
## State

Varies by state.

3

## Private

Offered by credit unions, banks, universities/schools and private companies.





# Federal Direct Subsidized and Unsubsidized Loans

## Formerly Stafford Loans

Federal loans have changed, you might see Stafford or Direct Loans.

## No Credit Check

The student is borrower, no credit check required.

## Subsidized

Subsidized loans are only available to undergraduates.



## Deferment

You can defer while enrolled at least half-time.

## Grace Period

After graduating you have a 6 month grace period before payments start.

## Rates

Your rates are based off when you borrowed the loan.

# Federal Plus & Graduate Plus Loan

	PLUS	GRADUATE PLUS
<b>BORROWER</b>	Parent (student must complete FAFSA)	Student
<b>GRACE PERIOD</b>	None, but can request deferment	6 months
<b>INTEREST RATE</b>	Varies, depending on when loan was disbursed	
<b>LENDER</b>	Department of Education	

# Private Student Loans



## Lender Options

Borrowed through bank, credit union, private company.



## Terms Vary Based On Lender

You can shop around for interest rates. Grace periods may differ from lender to lender as well as repayment terms.



## Potential Benefits

Co-signer release options. Interest Rate reduction with auto-pay.



# Know The Details



AMOUNTS



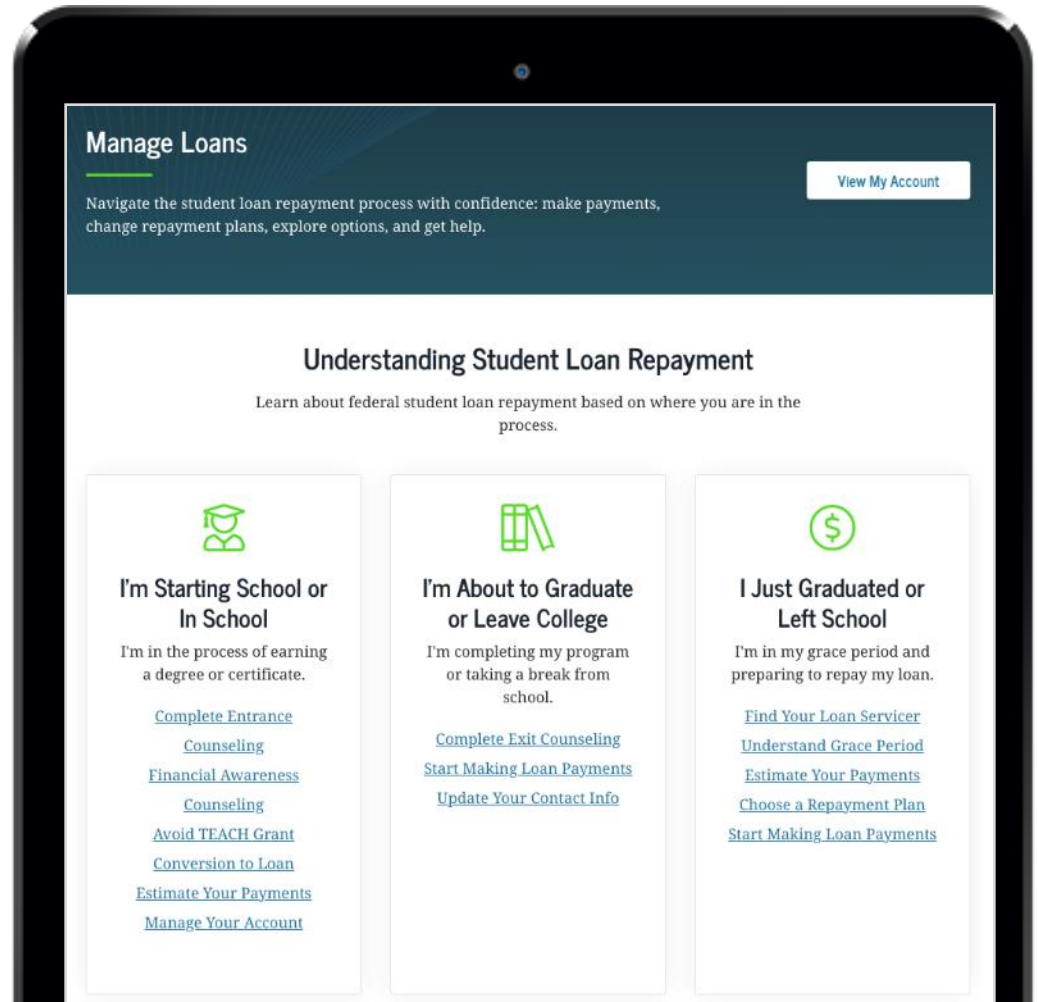
RATES



TERMS

More information on Federal Loans

# STUDENTAID.GOV



## Manage Loans

[View My Account](#)

Navigate the student loan repayment process with confidence: make payments, change repayment plans, explore options, and get help.

### Understanding Student Loan Repayment

Learn about federal student loan repayment based on where you are in the process.



#### I'm Starting School or In School

I'm in the process of earning a degree or certificate.

- [Complete Entrance Counseling](#)
- [Financial Awareness Counseling](#)
- [Avoid TEACH Grant Conversion to Loan](#)
- [Estimate Your Payments](#)
- [Manage Your Account](#)



#### I'm About to Graduate or Leave College

I'm completing my program or taking a break from school.

- [Complete Exit Counseling](#)
- [Start Making Loan Payments](#)
- [Update Your Contact Info](#)



#### I Just Graduated or Left School

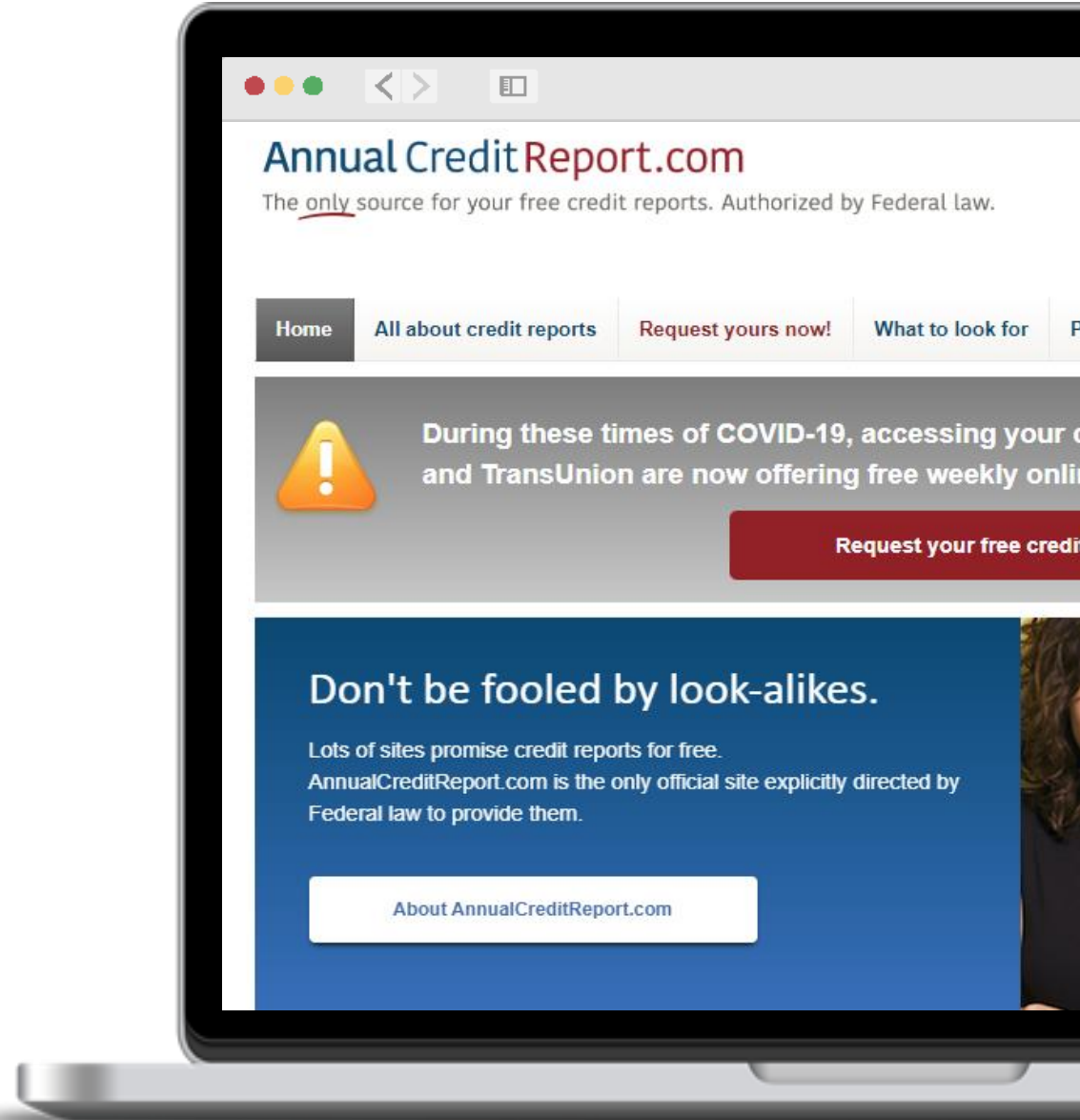
I'm in my grace period and preparing to repay my loan.

- [Find Your Loan Servicer](#)
- [Understand Grace Period](#)
- [Estimate Your Payments](#)
- [Choose a Repayment Plan](#)
- [Start Making Loan Payments](#)

# Free Credit Report

Receive a free weekly copy of report from each of 3 bureaus are available here.

# ANNUALCREDITREPORT.COM







# STEP 2

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Know Your  
Repayment Options



# Federal Repayment Options



## Basic Repayment Plans

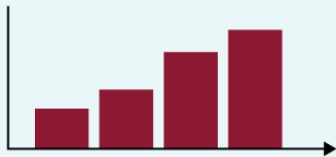
Traditional plans for paying off federal student loans.



STANDARD

10

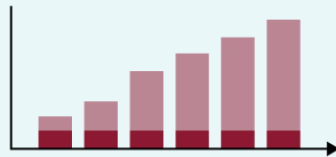
YEARS



GRADUATED

10

YEARS



EXTENDED

25

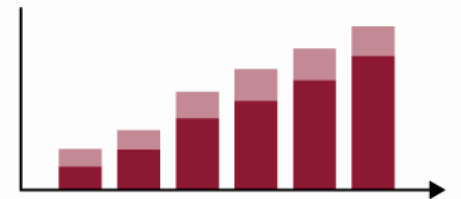
YEARS



## Income-Driven Plans

Plans that are sensitive to post-grad income.

- ✓ INCOME-BASED REPAYMENT
- ✓ PAY AS YOU EARN
- ✓ SAVE ON A VALUABLE EDUCATION (SAVE) PLAN
- ✓ INCOME-CONTINGENT
- ✓ INCOME-SENSITIVE (10 YEAR MAXIMUM PERIOD)

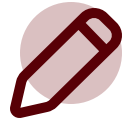


20-25

YEARS

# Deferment and **Forbearance**

Contact your federal and private loan servicer if you are unable to make payments. There are options to help you.



## **Federal Deferment**

Allows you to pause payments under certain conditions such as enrolled at least half-time in school.



## **Forbearance**

If you don't qualify for deferment, allows you to temporarily postpone repayment.

# What Happens If I Missed **Payments?**



## **Future Borrowing**

May affect ability to borrow future federal loans.



## **Higher Bills**

It may increase the amount you need to repay.



## **Credit Score**

Negatively impacts credit report.



## **Government Intervention**

Government may garnish wages, tax refunds, social security benefits and other income.





# STEP 3

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Research Your Federal Forgiveness  
and Discharge Options

# Forgiveness & Discharge Options

[studentaid.gov/manage-loans/forgiveness-cancellation](https://studentaid.gov/manage-loans/forgiveness-cancellation)

- ✓ Closed School Discharge
- ✓ Public Service Loan Forgiveness
- ✓ Teacher Loan Forgiveness
- ✓ Perkins Loan Cancellation and Discharge
- ✓ Borrower Defense Discharge
- ✓ Unpaid Refund Discharge
- ✓ Bankruptcy Discharge
- ✓ Forgery Discharge
- ✓ False Certification Discharge
- ✓ Total and Permanent Disability Discharge
- ✓ Discharge Due To Death



# Public Service Loan Forgiveness (PSLF)

[studentaid.gov/manage-loans/forgiveness-cancellation/public-service](https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service)



## Monthly Payments

Forgives remaining balance on Direct Loans after you have made **120 qualifying** monthly payments.



## Repayment Plan

Forgiveness is only granted under a **qualifying repayment** plan.



## Full-Time Employer

You must be **working full-time** for a **qualifying employer**.

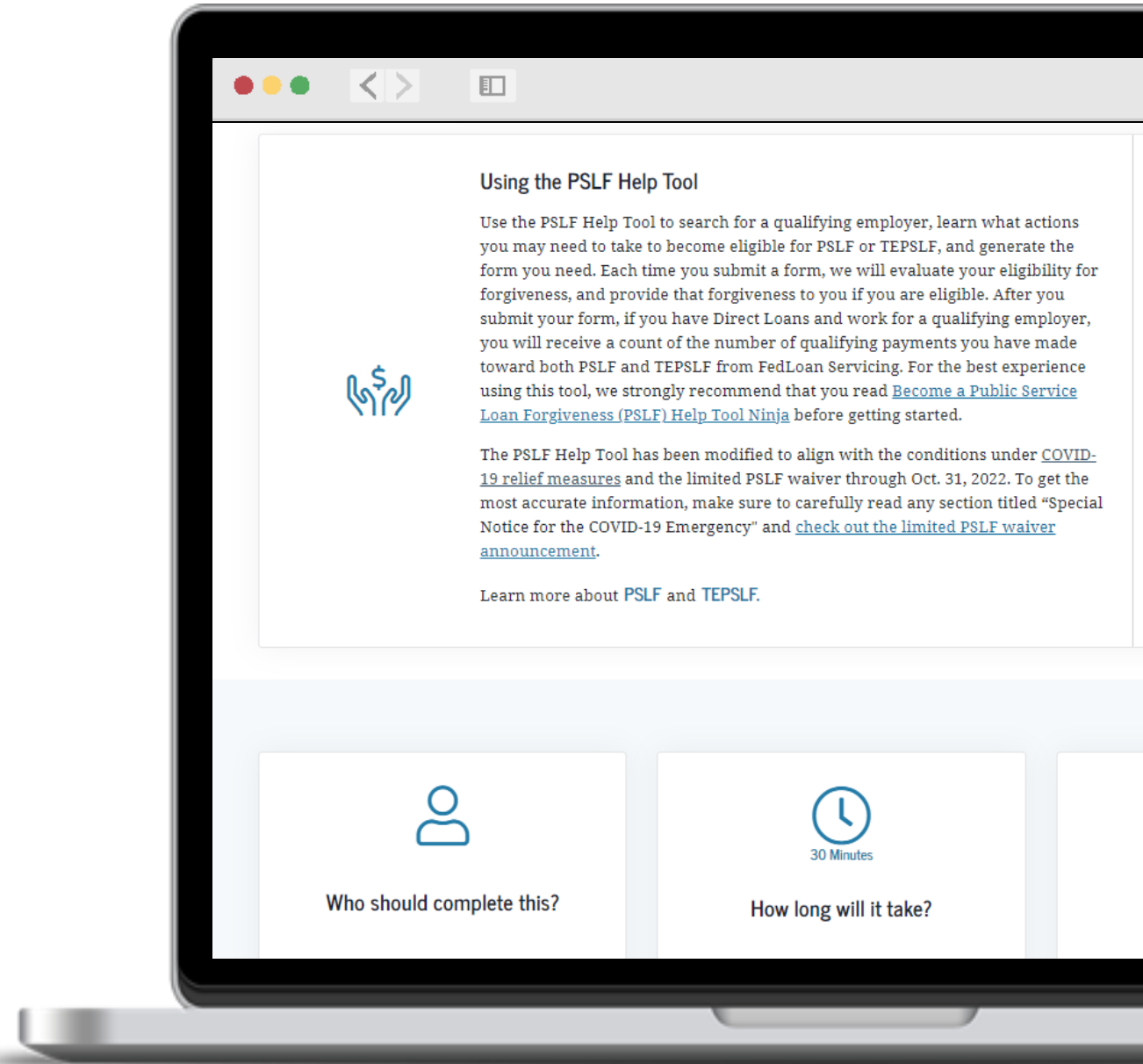


## Temporary Expanded Public Service Loan Forgiveness (TEPSLF)

**One-time automatic account adjustment** for PSLF borrowers



# STUDENTAID.GOV/PSLF





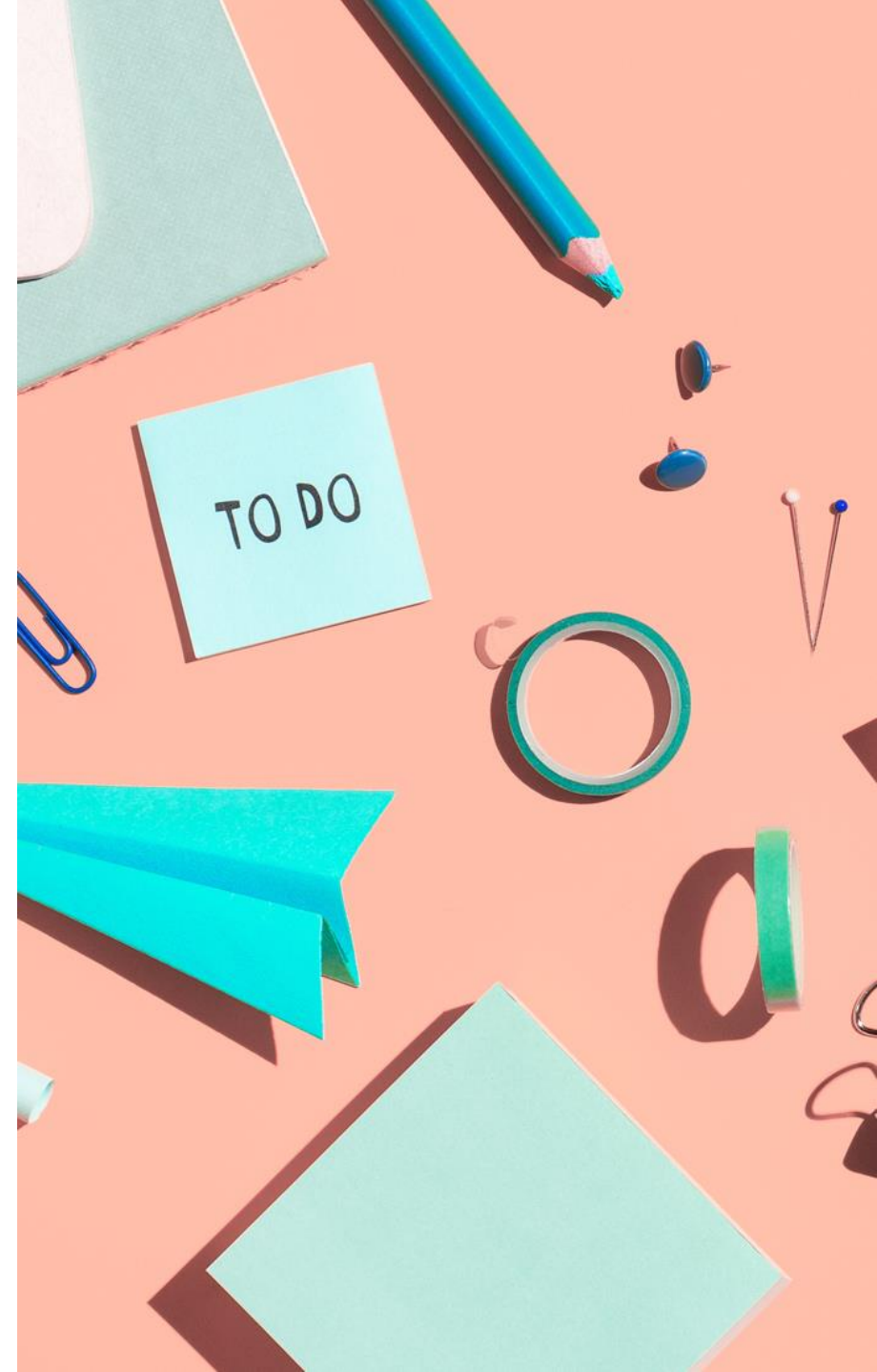
# What is Refinancing?

A new loan that combines private and/or federal loans into one new loan.

## BENEFITS OF REFINANCING

- ✓ May lower your monthly payment
- ✓ One monthly bill and one interest rate
- ✓ Typically, no application fee and no prepayment penalties

**Federal Consolidation is different from private refinancing.**



# What to Consider Before Refinancing

*\*Some lenders offer interest rate discounts for automatic loan payments.*



## Interest Rate

Based off credit score.



## Benefits

May lose benefits associated with original loans.



## Repayment Term

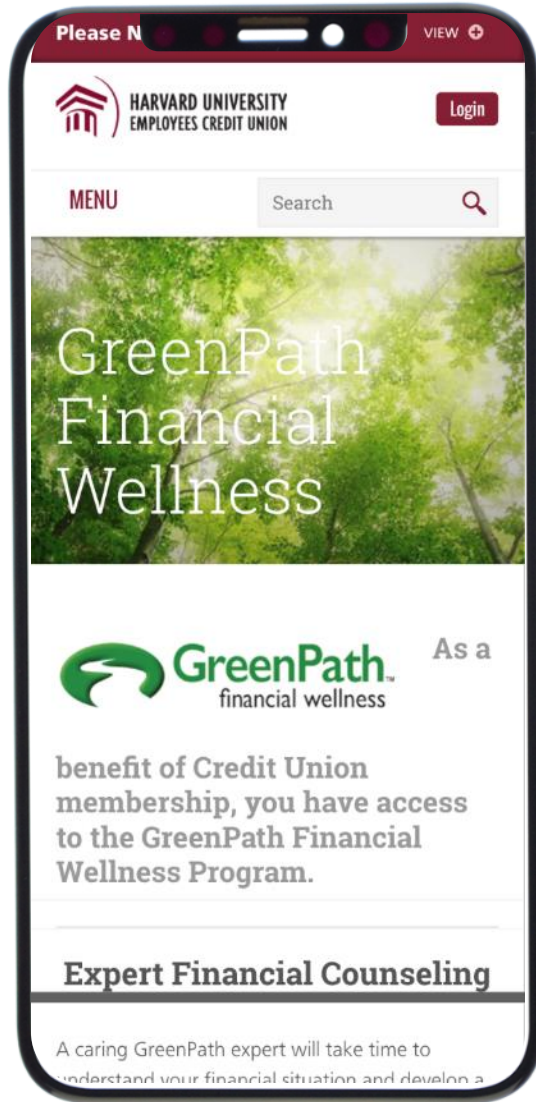
Typically begins right away.



# Repayment Strategy

	AMOUNT	INTEREST RATE	MONTHLY PAYMENT	LOAN TERM (MONTH)	TOTAL INTEREST PAID
CURRENT LOAN	\$40,000	8.5%	\$552	103 (8.6 years)	\$16,314*
NEW RATE & TERM	\$40,000	5.5%	\$434	120 (10 years)	\$12,093
NEW RATE & ORIGINAL PAYMENT	\$40,000	5.5%	\$552	89 (7.4 years)	\$8,726
NEW RATE & INCREASED PAYMENT	\$40,000	5.5%	\$575	84 (7 years)	\$8,280

*\*Does not include interest you previously paid*



# GreenPath

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GreenPath Financial Wellness offers free credit, housing, debt management, and budget counseling.

**[HUECU.ORG/GREENPATH](https://huecu.org/greenpath)**

# Next Steps

1

## Do Your Homework

Review the types of loans you have, and how these loans work.

2

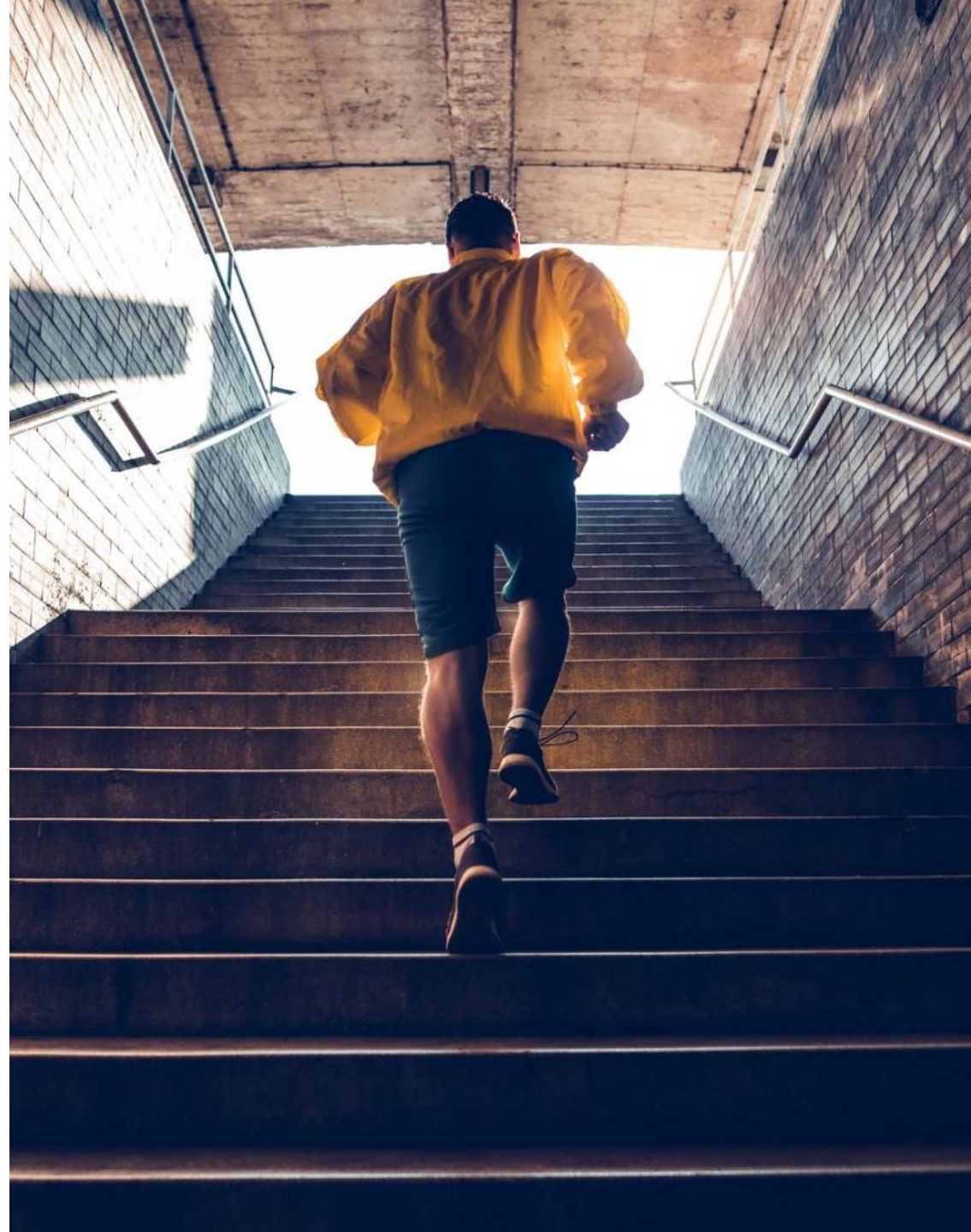
## Research

Research loan forgiveness options.

3

## Crunch The Numbers

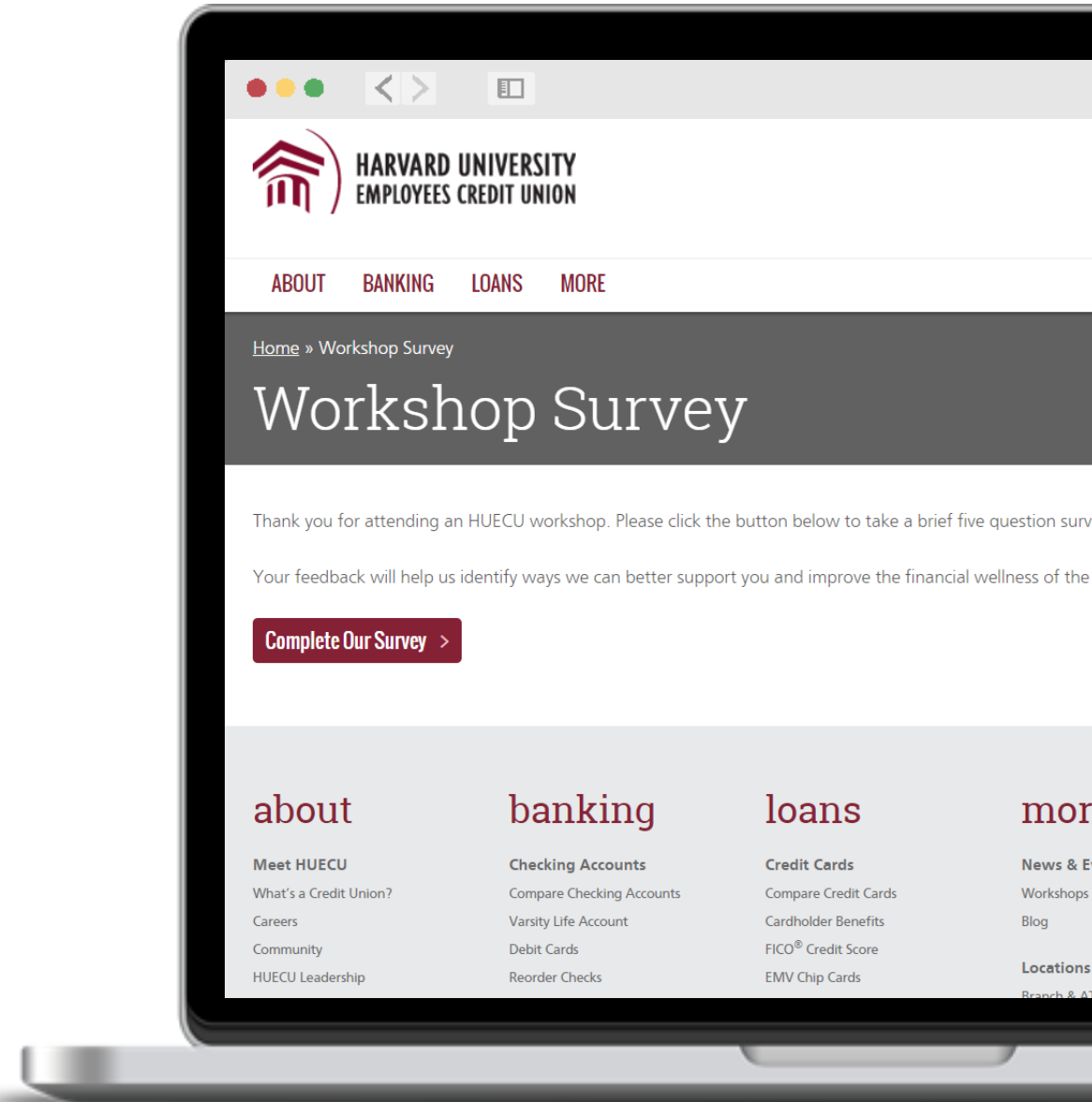
Calculate refinancing savings.



# Survey Says

Be sure to let us know what you thought of this webinar in our online survey.

**HUECU.ORG/SURVEY**





# Disclaimer

This presentation is a general overview of principles you may want to consider. Only you can decide what is best for you. This presentation is educational in nature and is not intended to be, and should not be construed as tax, legal or investment advice. You should always consult a certified advisor for advice on your specific situation. The examples used in this presentation are for illustrative purposes only.

# Keep in Touch



huecu@harvard.edu



huecu.org



@myHUECU

Find us on all social channels



104 Mount Auburn Street  
Cambridge, MA 02138



**HARVARD UNIVERSITY**  
**EMPLOYEES CREDIT UNION**

