


# EXIT COUNSELING

Financial Aid Recipients

# DSDT

A DETROIT SCHOOL FOR DIGITAL TECHNOLOGY





# MANDATORY EXIT REQUIREMENT

- Complete online exit counseling  
[www.studentsaid.gov](http://www.studentsaid.gov)
- Need FSA ID, references, addresses and phone numbers
- Must have a verified FSA ID (Username & Password)

# Determine Your Total Student Loan Debt

## Federal Direct Loans:

- Go to national Student Loan Data System for Students (NSLDS), [https://nsldsfa.ed.gov/nslds\\_SA/](https://nsldsfa.ed.gov/nslds_SA/) to view your Federal student loan debt and servicer
- Complete Federal Loan Exit Counseling at <https://studentaid.gov/exit-counseling/> immediately to avoid a hold on your transcript

# Important!

- Important! You never have to pay for help with your student loans. Free assistance with managing your loans is provided by your federal loan servicer. There is a growing number of so-called commercial student loan debt relief companies that claim to offer assistance in managing your federal student loans for a fee. Despite what these companies claim, there's nothing a student loan debt relief company can do for you that you can't do yourself for free with the assistance of your federal loan servicer. If you ever need assistance, the Department of Education and our federal loan servicers will help you at no cost! For more information on avoiding loan scams, go to <https://StudentAid.ed.gov/sa/repay-loans/avoiding-loan-scams>. If you're having problems managing your student loans contact your federal loan servicer or the Federal Student Aid (FSA) Ombudsman Group.



# THE GRACE PERIOD

- The date that you graduate or drop below half-time attendance is very important, because your grace period starts at that time.
- One -time grace period of six months for the Federal Direct Loans.
- Begins after you graduate, leave school or drop below half time.
- **Monthly payments begin when your grace period ends.**





# FEDERAL DIRECT UNSUBSIDIZED LOAN

- Not need-based
- You pay interest while in school
- Interest begins occurring at disbursement
- Interest is accrued while in school so you should pay the interest as you go
- Unpaid interest is added to the principal
- Increases total debt & monthly payment



# FEDERAL DIRECT SUBSIDIZED LOAN

- Need based
- The interest is paid for you while in school
- Interest starts accruing after graduation
- As of July 1, 2021 you cannot lose Direct Subsidized Loan eligibility





**FEDERAL DIRECT UNSUBSIDIZED**

- Starting July 1, 2021-5.28%
- Starting July 1, 2020-2.75%
- Starting July 1, 2019-4.53%
- Starting July 1, 2018-5.05%





**FEDERAL DIRECT SUBSIDIZED**

- Starting July 1, 2021-3.73%
- Starting July 1, 2020-2.75%
- Starting July 1, 2019-4.53%
- Starting July 1, 2018-5.05%

# Deferments-POSTPONEMENT OF PAYMENTS

## **Primary reasons**

- In-school
- Unemployment
- Economic hardship
- Military service



# FEDERAL DIRECT LOAN DEFERMENTS & CANCELLATIONS

Research your options at <https://studentaid.gov>

- Deferment; Education, Economic, etc <https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance>
- Loan forgiveness for public service (Federal Direct only) <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation>
- Closed school & consumer cancellations
- Bankruptcy, Death, and Disability



# **FORBEARANCE**-TEMPORARY REDUCTION OR POSTPONEMENT OF PAYMENTS

## **WHAT**

Not automatic-must apply & be approved

Interest will continue to accrue

## **WHY**

Primary reasons

- Poor health
- Payment exceeds 20% of monthly income
- Residency program
- Temporary financial setbacks



# YOUR RESPONSIBILITIES

- Repay your loans
- Make on-time, monthly payments
- Read correspondence from servicer
- Ask your servicer for help, if needed
- Notify servicer of changes within 10 days
- Name, address and telephone number





# KEYS TO SUCCESSFUL REPAYMENT

- Keep servicer informed about changes
- Keep copies of all documents in one place
- Open all mail/email
- The longer it takes to repay your loans the more interest you will pay
- Build good credit with timely payments
- **Always ask for help**



# INCOME DRIVEN REPAYMENT

## **Income based repayment (effective July 1, 2009)**

- Income Contingent Repayment (ICR)
- Pay as you Earn
- Revised Pay As You Earn (REPAYE)



# LOAN CONSOLIDATION

## **Combine Federal Direct Loans into one single new loan**

- Lose Perkins cancellation provisions
- Payments begin at consolidation
- Automatic payment discount-ask lender for details
- Consecutive monthly payments
- Contact Direct Loans
- No prepayment penalty
- One monthly payment
- Lower payments/ Longer repayment terms
- Assists with home purchase
- Consolidation calculators <https://finaid.org/>



# CONSEQUENCES OF DEFAULT

- Full amount of loan is due-plus collection costs
- Credit will be tarnished
- Lose deferment & forbearance options
- Lose eligibility for future financial aid
- May lose eligibility for certain federal or state jobs
- May lose professional license
- Subject to federal & state offsets
- Wage & tax refund may be garnished
- State lottery winnings will be taken



# PROTECT YOUR CREDIT

- One free copy of your credit report each year at: [www.annualcreditreport.com](http://www.annualcreditreport.com)  
Equifax, Experian, TransUnion





# UNRESOLVED LOAN PROBLEMS

**Contact:**

U.S. Department of Education FSA Ombudsman

830 First Street, N.E.

Washington

20202-5144

877-557-2575

[www.ombudsman.ed.gov](http://www.ombudsman.ed.gov)

[fsaombudsmanoffice@ed.gov](mailto:fsaombudsmanoffice@ed.gov)



# QUESTIONS???

DSDT

Financial Aid Office

(313) 263-4200

[financialaid@dstd.edu](mailto:financialaid@dstd.edu)

