



Drowning in Debt?

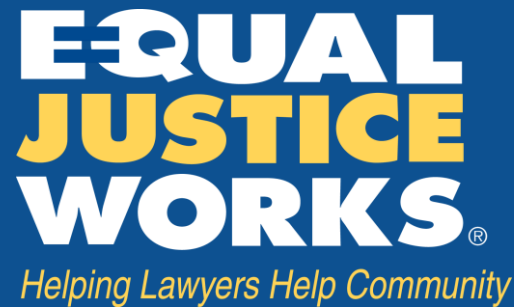
*How government and nonprofit employees
can earn public service loan forgiveness*

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25th
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1986-2011

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Today's Agenda

Resources for Managing Educational Debt

- Know Your Federal Loans
- College Cost Reduction and Access Act of 2007
 - Essentials of Income-Based Repayment
 - Essentials of Public Service Loan Forgiveness
- Loan Repayment Assistance Programs
 - *Where to Begin: Some essentials*



Know Your Loans



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Know Your Loans: What loans do I have?

What types of loans do you have?



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Know Your Loans: Sources of Student Loans

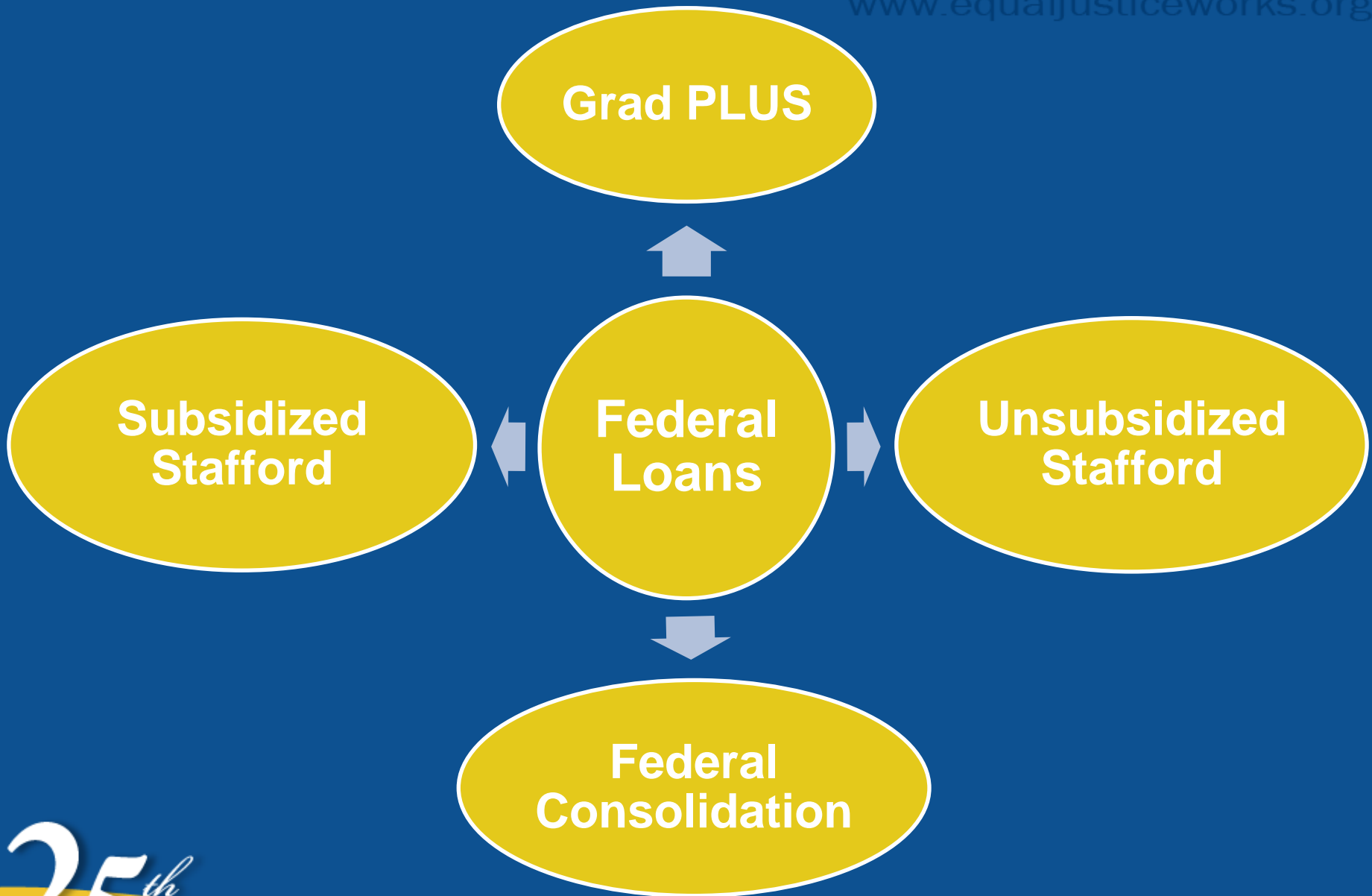
- **Federal Loans**

- May be eligible for federal relief programs
 - Income-Based Repayment
 - Public Service Loan Forgiveness

- **Private Loans**

- Never eligible – The government cannot forgive or write off debt that it does not own





Know Your Loans: Sources of Federal Loans

Federal Family Education Loan (FFEL):

Government-guaranteed loans but funds came from banks and other financial institutions. Abolished by Congress.

Federal Direct: Funds for the loans come directly from the US Department of Education, which gets them from the US Treasury.



Know Your Loans: What loans do I have?

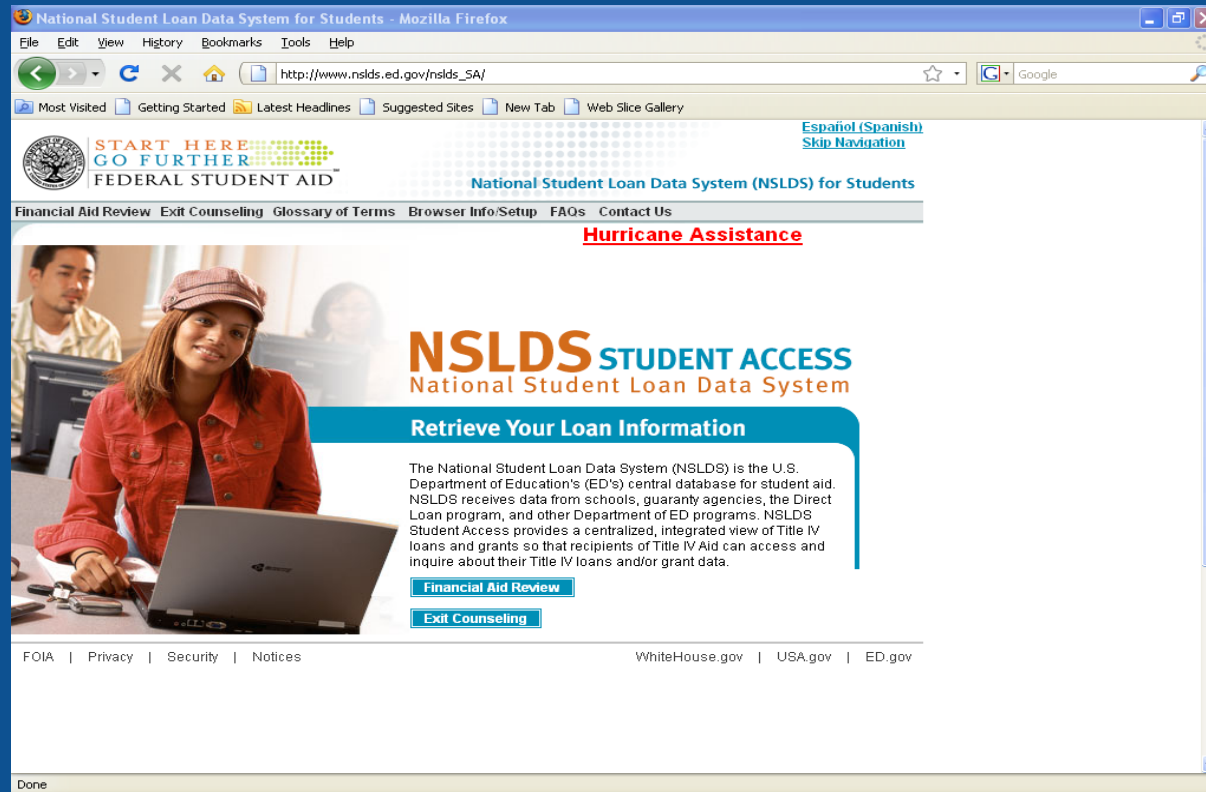
Find Out What Kind of Student Loans You Have

- National Student Loan Data System:
www.nslds.ed.gov
- If you cannot find the information at NSLDS, contact your servicer and ask.
- Look for private loans at:
<https://www.annualcreditreport.com>



Know Your Loans: What loans do I have?

- www.nslds.ed.gov

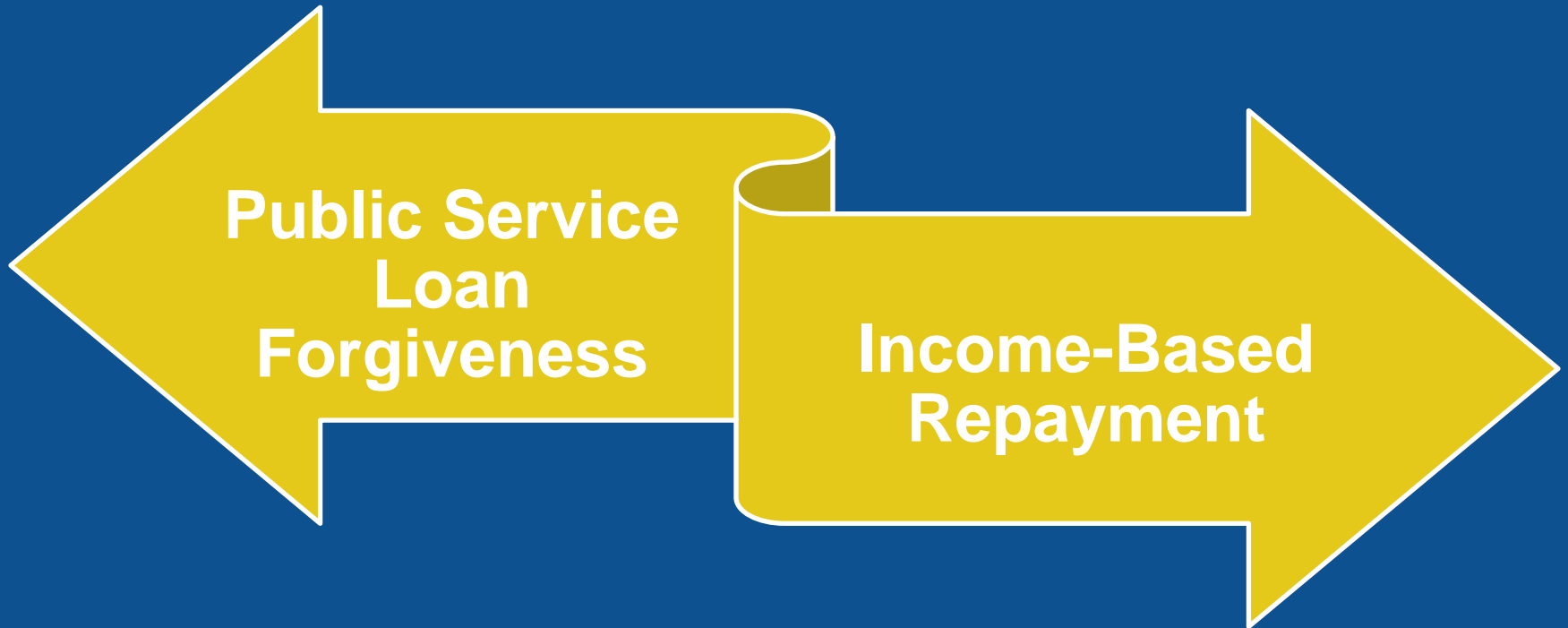


*College Cost Reduction and Access
Act of 2007 (CCRAA)*



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College Cost Reduction and Access Act



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CCRAA: Two kinds of loan forgiveness

- **Income-Based Repayment**
 - Forgives remaining debt, if any, **after 25 years** in IBR

- **Public Service Loan Forgiveness**
 - Forgives remaining debt **after 10 years** of qualifying payments if you work in a qualifying public service position



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CCRAA: What is Income-Based Repayment?

- A repayment plan for your federal loans
 - Reduces monthly payment amounts for borrowers with a “partial financial hardship”
- Forgiveness after 25 years
- No required type of employment



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IBR: Who has a partial financial hardship?

- High federal debt relative to income
 - Amount you owe annually is more than 15% of your discretionary income
- Use the Department of Education's calculator at studentaid.ed.gov



IBR: Information at studentaid.ed.gov

The screenshot shows the Federal Student Aid website's page for the Income-Based Repayment (IBR) Plan. The browser address bar shows the URL: <http://studentaid.ed.gov/PORTALSWebApp/students/english/IBRPlan.jsp>. The page features the Federal Student Aid logo with the slogan "START HERE GO FURTHER" and a navigation menu with links for Home, About Us, Contact Us, FAQs, Link to Us, Site Map, and Survey. A search bar is located on the left side. The main content area is titled "Income-Based Repayment Plan" and includes a brief description of the plan, a link to "Income-Based Repayment Questions and Answers (Q&As)", and a section titled "What is Income-Based Repayment?". A calculator widget titled "Income-Based Repayment Calculator" is positioned on the right side of the page. The left sidebar contains a list of navigation options, with "Repayment Plans and Calculators" highlighted by a blue arrow. The page footer contains the URL: <http://studentaid.ed.gov/PORTALSWebApp/students/english/OtherFormsOfRepay.jsp> to repay your loans.



IBR: Who has a partial financial hardship?

How much did you borrow?



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IBR: Who can choose IBR?

| Eligible Debt | AGI |
|---------------|----------|
| \$10,000 | \$25,451 |
| \$15,000 | \$30,055 |
| \$20,000 | \$34,658 |
| \$25,000 | \$39,261 |
| \$30,000 | \$43,864 |
| \$35,000 | \$48,467 |
| \$40,000 | \$53,071 |
| \$45,000 | \$57,674 |
| \$50,000 | \$62,277 |
| \$55,000 | \$66,880 |
| \$60,000 | \$71,484 |

| Eligible Debt | AGI |
|---------------|-----------|
| \$65,000 | \$76,087 |
| \$70,000 | \$80,690 |
| \$75,000 | \$85,293 |
| \$80,000 | \$89,896 |
| \$85,000 | \$94,500 |
| \$90,000 | \$99,103 |
| \$95,000 | \$103,706 |
| \$100,000 | \$108,309 |
| \$105,000 | \$112,912 |
| \$110,000 | \$117,516 |
| \$115,000 | \$122,119 |
| \$120,000 | \$126,722 |

Source: Jeff Hanson, Ph.D., Director of Borrower Education, Access Group, Inc.
 Assumptions: Interest rate = 6.8%; 2009 Poverty Guidelines;
 Household size of 1 residing in 48 contiguous states



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IBR: Which loans are eligible?

**FFEL and
Federal Direct Loans**



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IBR: Which loans are not eligible?

- Alternative or commercial student loans
- Parent PLUS Loans or consolidation loans that repaid a parent PLUS Loan
- Loans that are currently in default



IBR: How much will I pay?

- Limited to paying 15% of discretionary income
- Discretionary income = Adjusted Gross Income minus 150% of federal poverty level for a family the borrower's size



IBR: Adjusted Gross Income

- Simplified Adjusted Gross Income:

Wages

- + Interest Income
 - + Alimony Received
 - Alimony Paid
 - Student loan interest deduction
 - Deduction for IRA contribution
- Annual federal poverty levels <http://aspe.hhs.gov/poverty>



Source: United States Department of Education (assume \$100,000 eligible debt)

| Annual Income | Family Size (using 2010 poverty guidelines) | | | | | | |
|-----------------|---|--------------|--------------|-------------|------------|------------|------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$15,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$20,000 | \$46 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$25,000 | \$108 | \$37 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$30,000 | \$171 | \$99 | \$28 | \$0 | \$0 | \$0 | \$0 |
| \$35,000 | \$233 | \$162 | \$90 | \$18 | \$0 | \$0 | \$0 |
| \$40,000 | \$296 | \$224 | \$153 | \$81 | \$9 | \$0 | \$0 |
| \$45,000 | \$358 | \$287 | \$215 | \$143 | \$72 | \$0 | \$0 |
| \$50,000 | \$421 | \$349 | \$278 | \$206 | \$134 | \$63 | \$0 |
| \$55,000 | \$483 | \$412 | \$340 | \$268 | \$197 | \$125 | \$54 |
| \$60,000 | \$546 | \$474 | \$403 | \$331 | \$259 | \$188 | \$116 |
| \$65,000 | \$608 | \$537 | \$465 | \$393 | \$322 | \$250 | \$179 |
| \$70,000 | \$671 | \$599 | \$528 | \$456 | \$384 | \$313 | \$241 |



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IBR: How do I apply?

- **Apply as soon as you think you may be eligible**
 - Check the box and fill out the form to select IBR when you begin repayment
 - Contact the servicer(s) of your student loans

Don't know your servicer?

<http://nslds.ed.gov>



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IBR: How do I apply?

- Repayment Selection Form

FRPS1_BC
OMB No. 1845-0014
Form Approved
Exp. Date 08/31/2010

Direct Loans

REPAYMENT PLAN SELECTION

William D. Ford Federal Direct Loan Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form will be subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

Instructions
Read the enclosed information carefully to understand your repayment options and then complete this form to select a repayment plan or to change your previous repayment plan. Please print clearly using blue or black ink.
If you need help completing this form, contact the Loan Consolidation Department through one of the options provided in Section 6 on the back of this form. Return the completed form to the address shown in Section 6. If you are selecting any repayment plan except for the Income Contingent Repayment Plan with the joint repayment option, you may do so electronically at the Direct Loan Servicing Center's Web site: www.dl.ed.gov

Section 1: Borrower Information – to be completed by ALL BORROWERS
Borrower's Last Name Borrower's First Name Borrower's Middle Initial Borrower's Social Security Number:

Section 2: Repayment Plan Selection – to be completed by ALL BORROWERS
Place an "X" in the box under the repayment plan that you wish to select for each type of loan that you owe. The enclosed information describes each of the repayment plans. You must choose the same repayment plan for all of your Direct Loans, unless you have both parent Direct PLUS Loans (Direct PLUS Loans you received as a parent to pay for the education of a dependent student) and one or more of the other types of Direct Loans listed below (Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans, and student Direct PLUS Loans (Direct PLUS Loans you received to pay for your own graduate or professional education)), and you want to repay your Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans, and/or student Direct PLUS Loans under the Income Contingent Repayment (ICR) Plan or Income-Based Repayment (IBR) Plan. In that case, you must select a different repayment plan for your parent Direct PLUS Loans. You may repay any Direct Consolidation Loan (except for a Direct PLUS Consolidation Loan) under the ICR Plan, but a Direct PLUS Consolidation Loan or a Direct Consolidation that repaid parent PLUS loans may not be repaid under the IBR Plan.

- You may not repay parent Direct PLUS Loans under the ICR or IBR Plan.
- To be eligible to repay your loans under the IBR Plan, you must have a partial financial hardship (see Section 5 of this form).

| Loan Types | Standard | Graduated | Extended | | Income Contingent | Income-Based |
|---|--------------------------|--------------------------|---|---|--------------------------|-------------------------------------|
| Direct Subsidized Loans Direct Unsubsidized Loans Direct Consolidation Loans Student Direct PLUS Loans | <input type="checkbox"/> | <input type="checkbox"/> | Fixed Payments <input type="checkbox"/> | Graduated Payments <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Parent Direct PLUS Loans Direct PLUS Consolidation Loans | <input type="checkbox"/> | <input type="checkbox"/> | Fixed Payments <input type="checkbox"/> | Graduated Payments <input type="checkbox"/> | Not Available | Not Available |

Section 3: Spouse Information – to be completed by SOME MARRIED BORROWERS
If you are married, complete this section only if you are (1) selecting the ICR Plan (unless you and your spouse are separated from your spouse), (2) selecting the IBR Plan and you



*Additional Considerations
When Choosing IBR*



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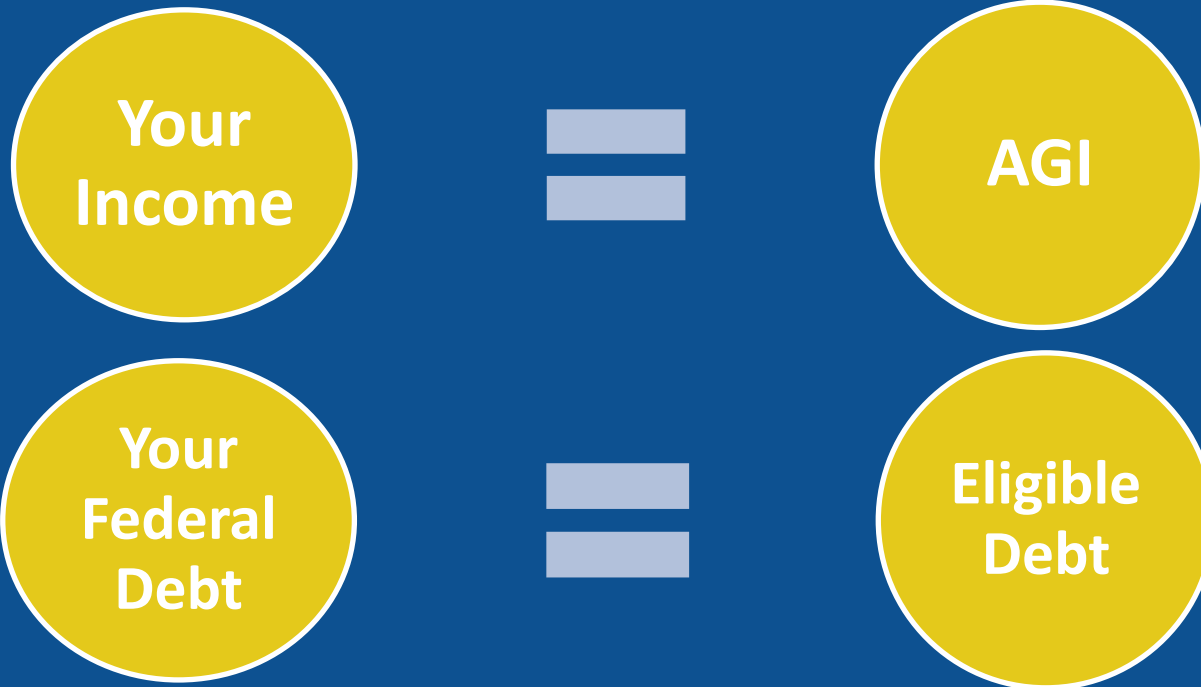
IBR: Tax considerations

Adjusted Gross Income if Married Filing Jointly



IBR: Tax considerations

Adjusted Gross Income if Married Filing Separately



IBR: Tax considerations

Disadvantages to Filing Separately

- Higher tax rate
- Loss of certain credits and adjustments:
 - child and dependent care credit
 - adoption expense credit
 - Hope and Lifetime Learning credit; and
 - deduction for qualified educational loan interest



IBR: Tax considerations

Forgiveness under IBR is *Taxable* Income

- As the law is currently written, forgiveness under IBR is taxable
- Ongoing efforts to remedy this – H.R. 2492



IBR: Interest

- Interest **accrues** while you are in IBR
 - Payments are applied first to interest
 - Payment in IBR may not be enough to pay all the interest accruing on your loans
 - Your repayment period likely will be extended
 - You may pay more total interest



IBR: Interest

- **Subsidized Loans**
 - The government pays unpaid interest accruing for the first three years in IBR, then it accrues
- **Unsubsidized Loans**
 - Accrues from the start



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IBR: Capitalization

- **Capitalization**
 - If you no longer have a partial financial hardship
 - If you ever choose to exit IBR

Consult a Financial Specialist



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IBR: Compare costs of IBR with 10-year plan

- Use the calculators at www.finaid.org

The screenshot shows the FinAid website's 'Income-Based Repayment Calculator (15% version)' page. The page is viewed in a Firefox browser window. The URL in the address bar is <http://www.finaid.org/calculators/ibr.phtml>. The page features a navigation menu on the left with links for Loans, Scholarships, Savings, Military Aid, and Other Types of Aid. A search bar is located below the menu. The main content area is titled 'Income-Based Repayment Calculator (15% version)' and includes an advertisement for SimpleLution. The text on the page explains that the calculator compares the cost of repaying Federal student loans using the Income-Based Repayment (IBR) option and the standard repayment option, including the net present value of those payments. It also mentions that the Income-Based Repayment option was proposed as part of the College Cost Reduction and Access Act of 2007 and became available on July 1, 2009. The monthly loan payments are capped at 15% of discretionary income with forgiveness of any remaining debt (including accrued but unpaid interest) after 25 years. Discretionary income is defined as the amount by which adjusted gross income exceeds the poverty line. The Health Care and Education Reconciliation Act of 2010 established an improved version of the income-based repayment plan for new borrowers of new loans made on or after July 1, 2014. The improved income-based repayment plan cuts the monthly loan payments by one third from 15% of discretionary income to 10% of discretionary income and accelerates loan forgiveness from 25 years to 20 years. Please use the 10% version of the income-based repayment calculator for borrowers who qualify for the improved income-based repayment plan. Please click on the field names for help in using this calculator. For more information about discount rates, see also the discussion of net present value. A married borrower who files a separate federal income tax return should include only his or her own loans. Public Law 110-153 modified the treatment of income for married borrowers who file separate federal income tax returns. Accordingly, this calculator will include the spouse's income only when the borrower files as married filing jointly. Community property states generally attribute half of the earnings of a married couple to each spouse, so in those states, the AGI on the tax return of a married borrower who files a separate tax return will usually include half of the couple's combined earnings, plus any other separate income of the borrower. Therefore, depending on the spouse's earnings, the borrower's AGI on a separate return could be higher or lower than the borrower's own earnings. Please note that the HHS Poverty Tables are typically updated in February.

IBR: What about loan forgiveness?

- IBR will forgive remaining debt, if any, after 25 years of qualifying payments
- If you work in public service, you could earn forgiveness after 10 years of qualifying payments



College Cost Reduction and Access Act



**Income-Based
Repayment**



**Public Service
Loan Forgiveness**

25th
anniversary
1986-2011

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CCRAA: Public Service Loan Forgiveness

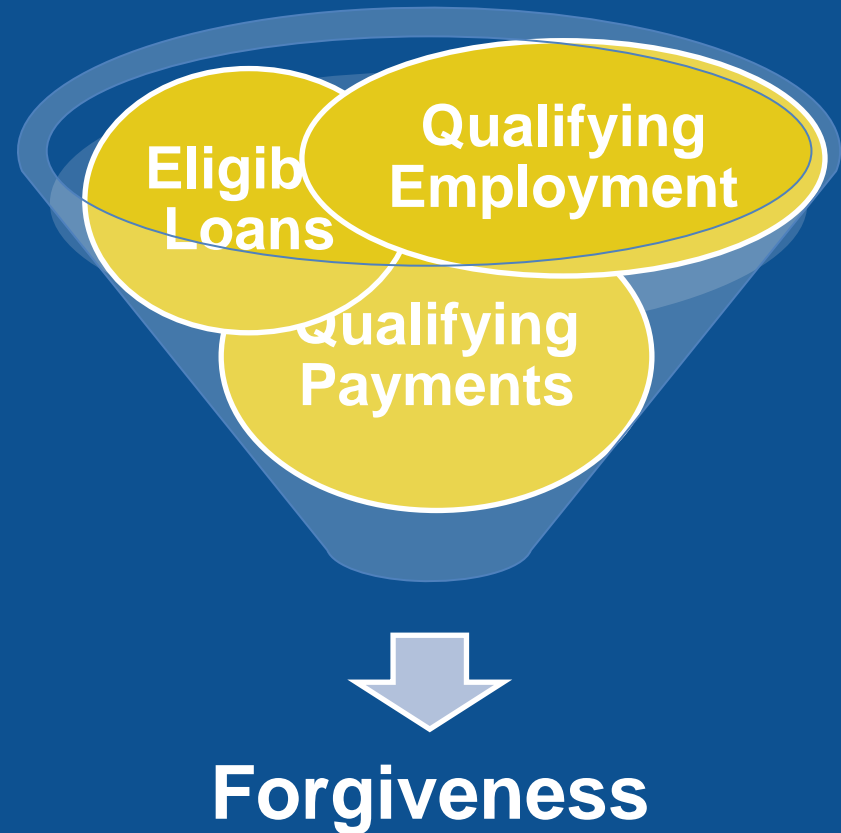
- **If You:**
 - Make 120 *qualifying loan payments* while working *full-time* in a *qualifying public service position* after October 1, 2007
- **The Federal Government will:**
 - Forgive the balance remaining on your *eligible Federal Direct Loans*.



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PSLF: Requirements for Forgiveness

- *Eligible Loans*
- *Qualifying Employment*
- *Qualifying Payments*



PSLF: Which loans are eligible?

**Only Federal Direct
FFEL Loans are Not
Eligible**



PSLF: Which loans are eligible?

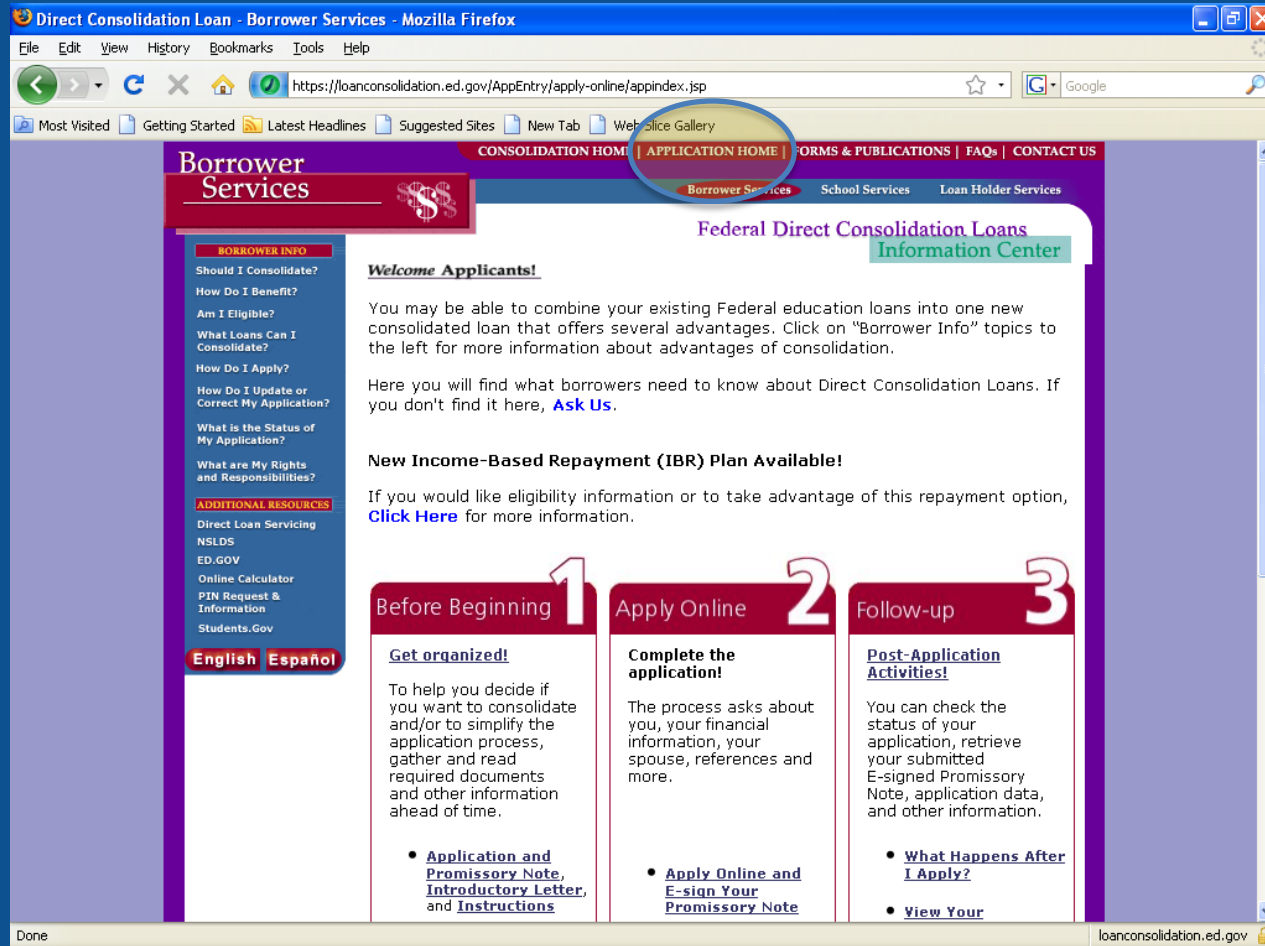
- Only **Federal Direct Loans** are eligible for ***Public Service Loan Forgiveness***
- Consolidate FFEL loans into Federal Direct
 - Stafford Loans and GradPlus Loans
 - Reconsolidate if you've previously consolidated with a private lender

Go to: <http://loanconsolidation.ed.gov>



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PSLF: Consolidate into Federal Direct



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PSLF: Which loans are not eligible?

- FFEL Loans are not eligible for PSLF
- Alternative or commercial student loans
- Parent PLUS Loans
 - Consolidation loans that repaid a parent PLUS Loan limit your options because they are not eligible for IBR
- Loans that are currently in default



www.studentloanborrowerassistance.org

The screenshot shows a Mozilla Firefox browser window displaying the website <http://www.studentloanborrowerassistance.org/>. The page features a navigation menu on the left with links such as Home, Get Answers, Find A Solution, Understanding Student Loans, Repayment, Loan Cancellation, Default and Delinquency, Student Loans & Bankruptcy, Collections, Policy & Legal Issues, Where to Go for Help, Glossary, and About Us. The main content area includes a search bar, a description of the National Consumer Law Center's Student Loan Borrower Assistance Project, and two buttons: 'Get Answers' and 'Find A Solution'. A 'Voices' section encourages users to share their experiences. A 'New Developments' sidebar lists recent news items like 'NCLC Releases New Report on Proprietary School Loans' and 'Department of Education Releases Trial Cohort Default Rates'. The footer indicates the page was last updated on March 10th, 2011.



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PSLF: Qualifying Employment

- Full-time, paid work in a public service organization
- Serving in a full-time AmeriCorps or Peace Corps position



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PSLF: Qualifying Employment?

Where do you work (or want to work)?



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PSLF: Qualifying Employment

Government

Public Service
Organization

501(c)(3) Non-
profit

AmeriCorps
Position

Peace Corps



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PSLF: Government Employment

- Local, State, Federal, and Tribal governments
- Government organizations, agencies, and entities
- **Not** service as a member of the U.S. Congress (But you can work for Congress or as a legislative aide)



PSLF: Full-time Employment

- Working in qualifying employment in one or more jobs for:
 - An annual average of at least **30 hours per week**; or
 - For a contractual or employment period of at least 8 months, an average of **30 hours per week**; or
 - Unless the qualifying employment is with two or more employers, the number of hours **the employer considers full-time**.

Must be paid by the qualifying employer



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PSLF: Qualifying Payments

- Payments do not need to be consecutive.
- What payments don't count toward the 120 payments required for Public Service Loan Forgiveness?
 - Late payments (more than 15 days)
 - Payments made on the “wrong” kind of loans
 - Payments made while in the “wrong” kind of job
 - Payments made in the “wrong” repayment plan

PSLF: Qualifying Repayment Plan

- Ten-Year “Standard” Repayment Plan
- Plan under which your payments are at least as much as they’d be under Ten-Year Repayment
- Income-Contingent Repayment
- Income-Based Repayment



PSLF: Repayment Plan Selection Form

rps.pdf - Adobe Reader

File Edit View Document Tools Window Help

1 / 6 102% Find

Please fill out the following form. You cannot save data typed into this form. Please print your completed form if you would like a copy for your records.

FRPS1_BC

OMB No. 1845-0014
Form Approved
Exp. Date 08/31/2010

Direct Loans REPAYMENT PLAN SELECTION

William D. Ford Federal Direct Loan Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form will be subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

Instructions

Read the enclosed information carefully to understand your repayment options and then complete this form to select a repayment plan or to change your previous repayment plan. Please print clearly using blue or black ink.

If you need help completing this form, contact the Loan Consolidation Department through one of the options provided in Section 6 on the back of this form. Return the completed form to the address shown in Section 6. If you are selecting any repayment plan except for the Income Contingent Repayment Plan with the joint repayment option, you may do so electronically at the Direct Loan Servicing Center's Web site: www.dl.ed.gov

Section 1: Borrower Information – to be completed by ALL BORROWERS

Borrower's Last Name Borrower's First Name Borrower's Middle Initial Borrower's Social Security Number:

Section 2: Repayment Plan Selection – to be completed by ALL BORROWERS

Place an "X" in the box under the repayment plan that you wish to select for each type of loan that you owe. The enclosed information describes each of the repayment plans. You must choose the same repayment plan for all of your Direct Loans, unless you have both parent Direct PLUS Loans (Direct PLUS Loans you received as a parent to pay for the education of a dependent student) and one or more of the other types of Direct Loans listed below (Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans, and student Direct PLUS Loans (Direct PLUS Loans you received to pay for your own graduate or professional education)), and you want to repay your Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans, and/or student Direct PLUS Loans under the Income Contingent Repayment (ICR) Plan or Income-Based Repayment (IBR) Plan. In that case, you must select a different repayment plan for your parent Direct PLUS Loans. You may repay any Direct Consolidation Loan (except for a Direct PLUS Consolidation Loan) under the ICR Plan, but a Direct PLUS Consolidation Loan or a Direct Consolidation that repaid parent PLUS loans may not be repaid under the IBR Plan.

- You may not repay parent Direct PLUS Loans under the ICR or IBR Plan.
- To be eligible to repay your loans under the IBR Plan, you must have a partial financial hardship (see Section 5 of this form).

| Loan Types | Standard | Graduated | Extended | | Income Contingent | Income-Based |
|---------------------------------|--------------------------|--------------------------|---|---|--------------------------|--------------------------|
| Direct Subsidized Loans | <input type="checkbox"/> | <input type="checkbox"/> | Fixed Payments <input type="checkbox"/> | Graduated Payments <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Direct Unsubsidized Loans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Direct Consolidation Loans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Student Direct PLUS Loans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Parent Direct PLUS Loans | <input type="checkbox"/> | <input type="checkbox"/> | Fixed Payments <input type="checkbox"/> | Graduated Payments <input type="checkbox"/> | Not Available | Not Available |
| Direct PLUS Consolidation Loans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Section 3: Spouse Information – to be completed by SOME MARRIED BORROWERS

If you are married, complete this section only if you are (1) selecting the ICR Plan (unless you are separated from your spouse), (2) selecting the IBR Plan and you



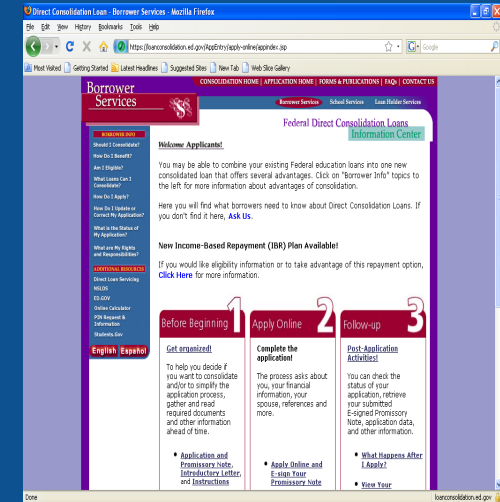
IBR & PSLF: Dara Defender finds relief!

- Dara has \$120,000 in federal loans
 - \$100,000 unsubsidized Federal Direct
 - \$20,000 subsidized FFEL
- Dara takes a public defender position
 - Her salary starts at \$45,000
 - But she knows about IBR & PSLF



IBR & PSLF: Dara Defender finds relief!

- Dara consolidates into Federal Direct
 - She now has \$120,000 in a Federal Direct Consolidation loan at 6.8% interest
- Dara enrolls in IBR
 - In her first year, her payments are \$359
 - They would be \$1,381 under standard 10-year repayment



IBR & PSLF: Dara Defender finds relief!

- **Dara remains in public service**
 - She receives annual raises of 3%
 - Her payments gradually rise
 - In year 10, her monthly payments are \$467
- **Dara applies for PSLF**
 - She has paid **\$49,447** over 10 years
 - *The federal government forgives **\$150,295!***



Career Public Defender - \$100,000 Eligible Debt

Assuming 4% annual raise, 6.8% Interest and 2009 Poverty Levels

| | Initial PI AGI: \$40K | IBR Monthly Payment | 30 Year Fixed Monthly | 10 Year Fixed (Affordable?) |
|--------------|--------------------------|------------------------|--------------------------|--------------------------------|
| Year 1: | \$40,000 | \$297 | \$652 | \$1151 |
| Year 2: | \$41,600 | \$311 | \$652 | \$1151 |
| Year 3: | \$43,264 | \$325 | \$652 | \$1151 |
| Year 4: | \$44,995 | \$341 | \$652 | \$1151 |
| Year 5: | \$46,794 | \$356 | \$652 | \$1151 |
| Year 6: | \$46,666 | \$373 | \$652 | \$1151 |
| Year 7: | \$50,613 | \$390 | \$652 | \$1151 |
| Year 8: | \$52,637 | \$408 | \$652 | \$1151 |
| Year 9: | \$54,743 | \$427 | \$652 | \$1151 |
| Year 10: | \$56,932 | \$447 | \$652 | \$1151 |
| Years 11-30: | ... | \$0 | \$652 | \$0 |

| | | | |
|------------------------|------------------|------------------|------------------|
| Total Paid IBR: | \$44,102 | Forgiven: | \$123,898 |
| 10 Year Fixed: | \$138,097 | | |
| 30 Year Fixed: | \$234,689 | | |



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PSLF: Compare Monthly Payments

- Use the calculators at www.finaid.org

The screenshot shows the FinAid website interface. At the top, the browser address bar displays 'http://www.finaid.org/calculators/ibr.phtml'. The website header features the 'FinAid' logo and the tagline 'The Smart Student Guide to Financial Aid'. A navigation menu on the left lists categories like Loans, Scholarships, Savings, Military Aid, and Financial Aid Applications. The 'Calculators' link in this menu is circled in blue. Below the navigation is a search bar with a 'SEARCH' button. The main content area is titled 'Income-Based Repayment Calculator (15% version)'. It includes an advertisement for SimpleLution and several paragraphs of text explaining the calculator's purpose, the 15% version's features, and the improved version's details. A sidebar on the left contains a blue button that says 'Need a student loan?' with a downward arrow and the text 'There are options, we have them.' Below the main content, there is a note about HHS Poverty Tables being updated in February.



PSLF: How Do I Apply?

- Only after making 120 qualifying payments on eligible loans while working full-time in qualifying employment
 - Procedure set by Department of Education
 - Track your employment
- Must be in qualifying employment at time of forgiveness



CCRAA: Utilizing IBR *and* PSLF

- **Apply for IBR**
 - *As soon as you think you may be eligible*
 - Select IBR when you begin repayment
 - Contact the servicer(s) of your student loans
- **Apply for PSLF**
 - *After making 120 qualifying payments*
 - *Track your employment!*



CCRAA: Income-Based Repayment (IBR)

- Benefits of IBR even without Public Service Loan Forgiveness:
 - Forgiveness after 25 years
 - No required type of employment
 - FFEL Loans are eligible
 - (but you can consolidate into Federal Direct to be eligible for PSLF)



Using IBR & PSLF: Financial considerations

- Not a one-size fits all solution
- Think about:
 - Tax implications
 - Likely future income
 - Career plans
- ***Consult with a tax or financial specialist***



Loan Repayment Assistance Programs



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LRAPs: Variety of Programs

Employer LRAPs

Ask your employer!

School LRAPs

*Ask or Consult **The Equal Justice Works Guide to Law Schools***

State-Based LRAPs

*Visit www.equaljusticeworks.org
for more information*

Federal LRAPs

John R. Justice

***Not necessarily mutually exclusive with IBR and PSLF,
but check with program administrator to make sure***



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LRAPS: Design Matters

- Not all LRAPs are created equally:
 - Different requirements and restrictions
 - Varying payment amounts
 - Varying duration of eligibility
 - May or may not be allowed to combine
 - May or may not be taxable



Loan Forgiveness: Tax Issues

- NOT TAXABLE:
 - Public Service Loan Forgiveness
 - Many school LRAPs

- TAXABLE:
 - 25-year IBR Forgiveness (H.R. 2492)
 - Employer LRAPs
 - Some government LRAPs (ex. John R. Justice)



Educational Debt & Public Interest Careers?

- **Remember the Steps**
 - Know your loans
 - Know your career plans
 - Know options for managing high student debt
 - *College Cost Reduction and Access Act*
 - *Loan Repayment Assistance Programs*

***Think about your future plans, then
take the right steps to get there!***



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Resources, Information & Checklists

- www.equaljusticeworks.org

The screenshot shows the Equal Justice Works website in a Mozilla Firefox browser window. The browser's address bar displays the URL <http://www.equaljusticeworks.org/resources>. The website header features the Equal Justice Works logo and the tagline "Helping Lawyers Help Community". A navigation menu includes links for Home, RSS, Sitemap, Contact Us, Blog, and Forum. A search bar is located on the right side of the header. Below the header, there is a horizontal menu with categories: About, Pre-Law, Law School, Post-Grad, Support Us, Resources and Public Interest Law, and News and Media. The main content area is titled "Resources" and contains a paragraph about finding law schools and student loan options. A quote from Erin Shea McCann, Attorney at Columbia Legal Services, is displayed in a brown box. Below the quote, there are sections for "Student Debt Relief" and "Career Resources". On the right side, there is a "RESOURCES" sidebar with links to "Student Debt Relief Resources", "Career Resources", "Legal Education Resources", and "2009 Equal Justice Works Guide to Law Schools". A search bar is also present in the sidebar with the text "What Resources are useful for me?".



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Resources

- **Resources:**

www.equaljusticeworks.org

<http://studentaid.ed.gov>

www.finaid.org

www.studentloanborrowerassistance.org



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Stay Connected!

- **Email questions:**
debtrelief@equaljusticeworks.org
- **Stay connected for more webinars and tips!**



@EJW_org

#studentdebthelp



Equal Justice Works

www.facebook.com/EqualJusticeWorks



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