

Student Loans

What Should We Keep and What Should We Fix?



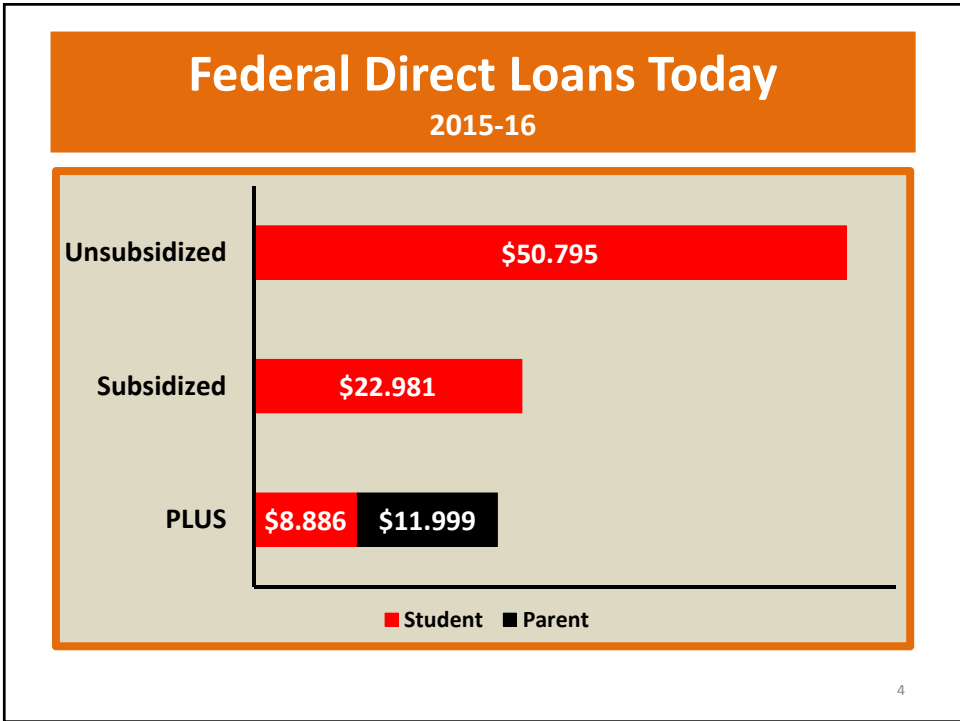
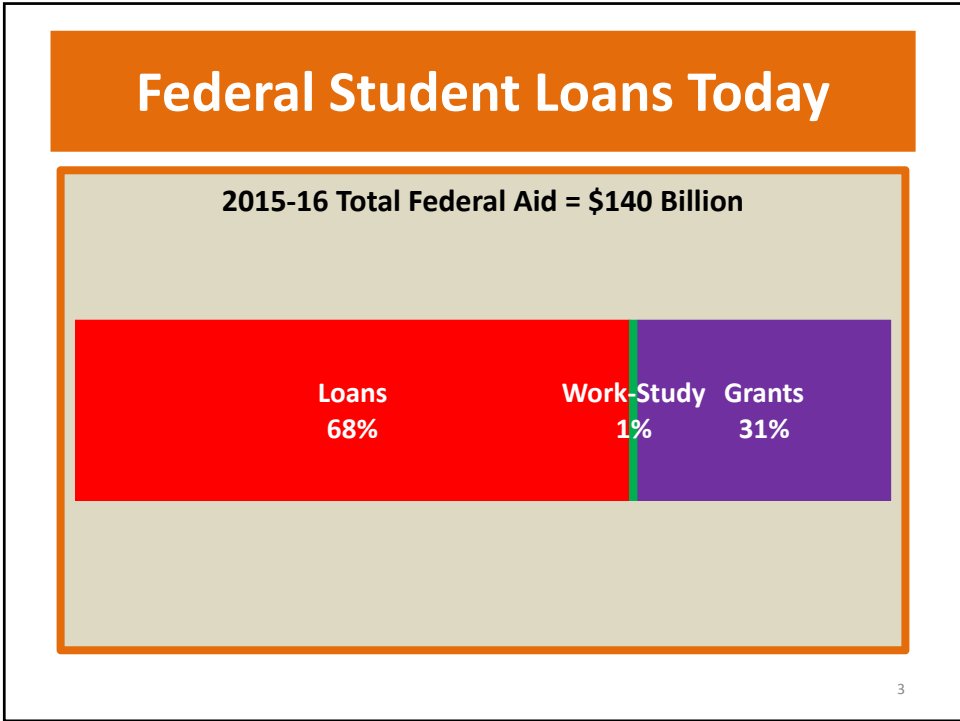
1

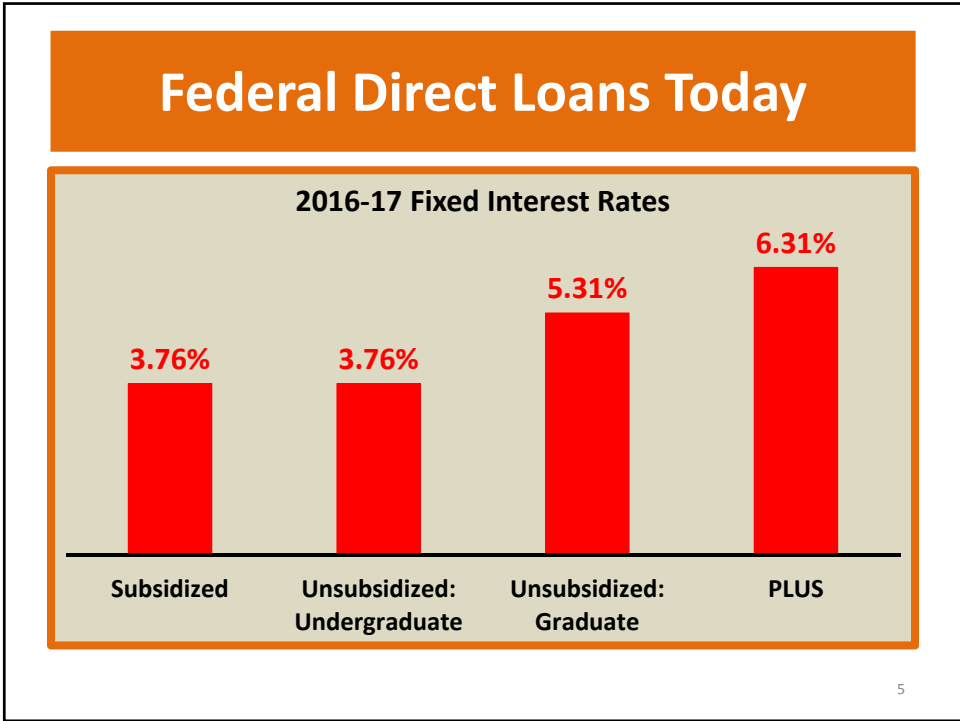
Student Loans Today

2015-16 Volume = \$106.8 Billion

Category	Percentage
Federal	80%
State and Institutional	10%
Private	9%

2





Federal Direct Loans Today

Subsidized versus Unsubsidized Loans

Period	Subsidized	Unsubsidized
In School	No Interest Accrual	Interest Accrues
In Grace	No Interest Accrual	Interest Accrues
In Repayment	Interest Accrues	Interest Accrues
In Deferment	No Interest Accrual	Interest Accrues
In Repayment	Interest Accrues	Interest Accrues
In Forbearance	Interest Accrues	Interest Accrues
In Repayment	Interest Accrues	Interest Accrues

6

Federal Direct Loans Today

Annual Loan Limits

Borrower	Limit	
Subsidized	Dependent	Independent
Freshman	\$3,500 or Need	\$3,500 or Need
Sophomore	\$4,500 or Need	\$4,500 or Need
Junior/Senior	\$5,500 or Need	\$5,500 or Need
Unsubsidized	Dependent	Independent
Freshman	\$5,500 – Sub	\$9,500 - Sub
Sophomore	\$6,500 – Sub	\$10,500 - Sub
Junior/Senior	\$7,500 – Sub	\$12,500 - Sub
Graduate/Professional	\$20,500 or Need	
PLUS	Limit	
Graduate/Professional	Cost of Attendance – Other Aid	
Parent	Cost of Attendance – Other Aid	

7

Federal Direct Loans Today

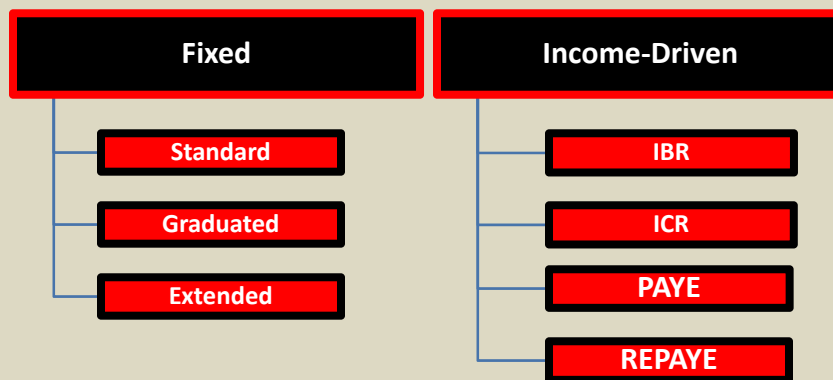
Aggregate Loan Limits

Borrower	Limit	
Subsidized	Dependent	Independent
Undergraduate	\$23,000	\$23,000
Unsubsidized	Dependent	Independent
Undergraduate	\$31,000 – Sub	\$57,500 - Sub
Graduate/Professional	\$138,500 - Sub	
PLUS	Limit	
Graduate/Professional	None	
Parent	None	

8

Federal Direct Loans Today

Repayment Plans



9

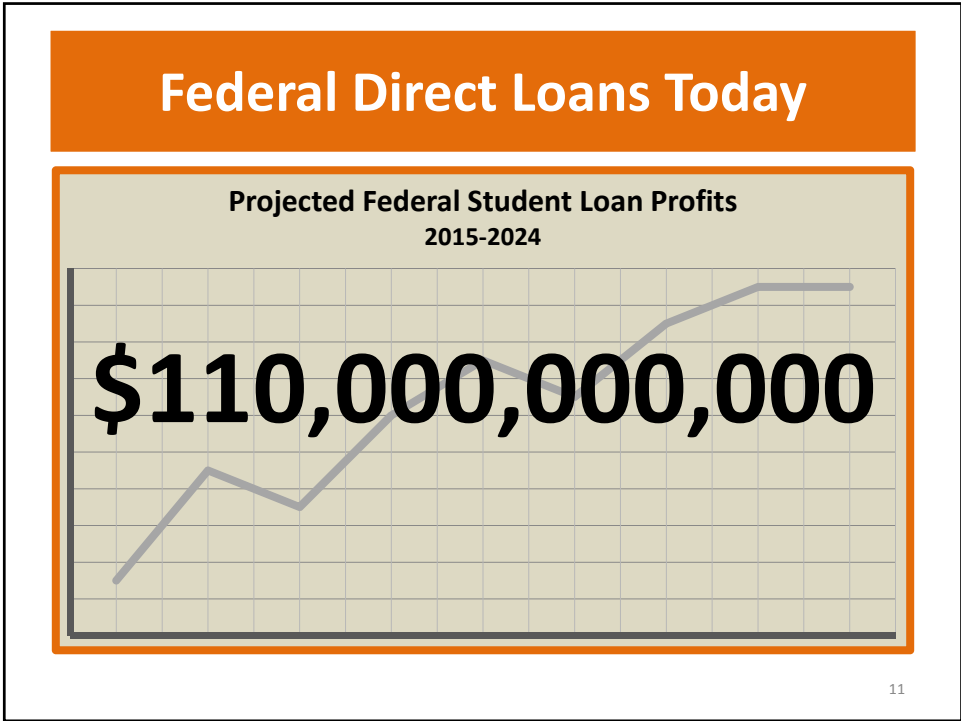
Federal Direct Loans Today



Loan Discharge/Forgiveness

- *20-25 years of on-time payments*
- *Bankruptcy*
- *Borrower defenses*
- *Closed school*
- *Death*
- *False certification of eligibility*
- *Public service*
- *Teaching*
- *Total and permanent disability*
- *Unauthorized payment*
- *Unpaid refund*

10



Keep It or Fix It?

	Keep It!
Federal Direct Student Loan Program	Fix It!

12

Keep It or Fix It?




Keep It!

Subsidized Loans

Fix It!

13

Keep It or Fix It?



Keep It!

PLUS Loans

Fix It!

14

Keep It or Fix It?




Keep It!

No Subsidized Loans for Graduate Students

Fix It!

15

Keep It or Fix It?




Keep It!

Current Interest Rate Formulas

Fix It!

16

Keep It or Fix It?



Keep It!

Current Annual Loan Limits

Fix It!

17

Keep It or Fix It?




Keep It!

Current Aggregate Loan Limits

Fix It!

18

Keep It or Fix It?



STUDENT LOANS
They're like paying rent for work


Keep It!

Current Repayment Plans

Fix It!

19

Keep It or Fix It?



Keep It!

Current Loan Forgiveness Programs

Fix It!


20

Keep It or Fix It?

 <p>Federal Student Loan DEPARTMENT OF EDUCATION PERKINS LOAN</p>	Keep It!
Perkins Loan Phase-Out	Fix It!

21

Keep It or Fix It?

 <p>FEDERAL STUDENT LOANS</p>	Keep It!
What Else?	Fix It!

22