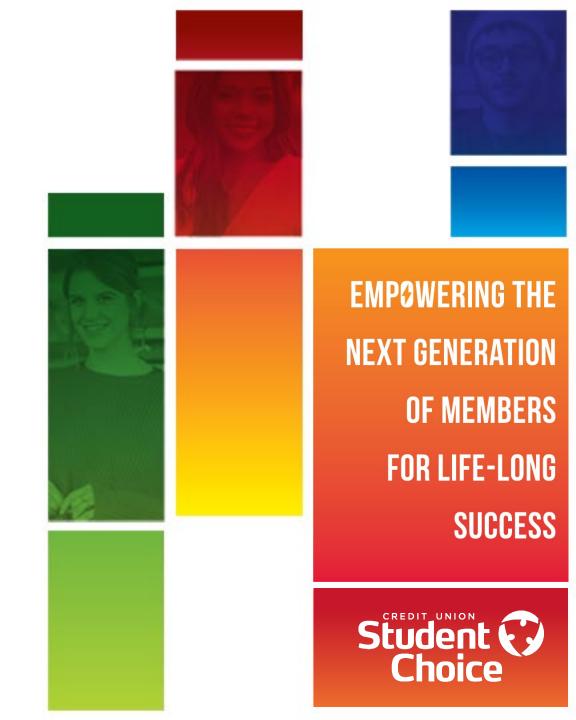
Five Tips of Student Loan Refinancing

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College Access Counselor

Credit Union Student Choice





Discussion Topics

- Federal student loan update
- Take stock understand your loans
- Understand lender loan terms and requirements
- Savings do the numbers
- Take the plunge



Tip 1: Federal Student Loan Updates

- March 2020 the Coronavirus Aid, Relief, and Economic Security Act (CARESAct) became law. This law
 provided relief on Ed-owned federal student loans; suspension of loan payments, stopped collections
 of defaulted loans, and set the interest rate to 0%. This was scheduled to expire on September 30th,
 2021, extended to January 31st and currently set to expire on September 30th, 2021,
- Please note that some FFEL Program and HEAL loans are owned by commercial lenders, and some Perkins Loans are owned by the institution you attended. These loans are not eligible for this benefit at this time, but you can contact your servicer to ask about what benefits may be available.
- President Joe Biden has said he supports \$10,000 in student loan forgiveness, but members of his own party, including Senator Majority Leader Chuck Schumer, are pushing him to cancel \$50,000 per borrower.



https://studentaid.gov/coronavirus

studentaid.gov



Tip 2: Take Stock – Understand your Student Loans

- Federal Student Loans
 - Studentaid.gov
- Important Information
 - Current balance and repayment term
 - Interest rate
 - Subsidized or unsubsidized
 - Monthly payment
 - Servicer contact information
- Benefits
 - Extra deferment (subsidized loans may not accrue interest)
 - Loan discharge for death and disability
 - Forgiveness programs
 - Repayment options including income based
 - Consolidation and refinance options available
 - Default rehabilitation

Annual Credit Report.com

The only source for your free credit reports. Authorized by Federal law.

Take Stock – Understand your Student Loans

- Private Student Loans
 - University's financial aid office
 - annualcreditreport.com
 - Experian Equifax Trans Union
- Important Information
 - Current balance and repayment term
 - Interest rate
 - Monthly payment
 - Servicer contact information
- Benefits
 - Varies by lender
 - Co-signer release option
 - Interest reduction for automatic payments
 - Forbearance options
 - Refinance options available

College Financial Aid



Tip 3: Understand Lender Terms

• Interest Rates

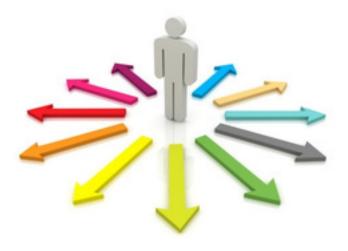
- Fixed vs. variable rates
- Variable rates
 - How often can they change
 - What is the floor and ceiling rate

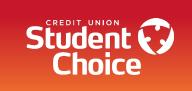
• Repayment Terms

- 5 15 year
 - How many years to payoff (current loans)

• Application Process

- On-line
- What information is needed
- Application supporting documents
- Time-line





Borrower Requirements and Eligibility

- Established credit history?
- FICO score?
- Employment history?
- Steady income?
- College graduate?





Tip 4: Refinance Savings and Impact – Loan Calculators

- How can you save by refinancing?
 - Lowering the interest rate
 - Lowering the repayment term or keep it the same
 - Setting up automatic payments
- How can refinancing impact me?
 - Save money both monthly and long-term





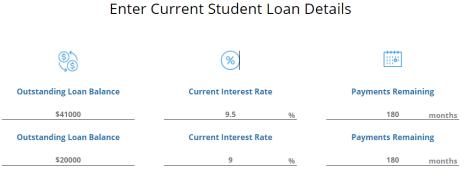
Loan Calculators – do the math

Current Balance - \$61,000 Rates – 9% and 9.5% Term – 180 months

Current Payment - \$630.99

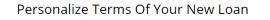
Savings - \$28,623.69	Savings - \$9006.28
Difference - \$76.96	Difference - \$83.05
New Payment - \$707.95	New Payment - \$547.94
Term – 120 months	Term – 180 months
Rate – 6.99%	Rate – 6.99%

(All rates, terms and calculations are estimated)



+ add new loan | remove previous loan -







(estimated) (estimated) (estimated) (estimated)

Tip 5: Why Wait? Make the Jump

- What is your main objective?
- What type of student loans do you have?
- What is a manageable monthly payment?
- Did you search and compare lenders?
- Do you understand your options?
- Do you qualify?





Thank you for attending!!

Tricia Poplicean College Access Counselor | Student Choice

Please contact us with any additional questions: <u>scholarhelp@studentchoice.org</u>

http://www.studentchoice.org/college-access-counselor

