

## REPAYING YOUR STUDENT LOAN

FOR MORE INFORMATION

Visit our Web site at [www.hesc.org](http://www.hesc.org)

**HESC Customer  
Communications Center**  
1-888-NYSHESC  
1-888-697-4372

**If you are having trouble  
with repayment**  
1-888-215-0196  
[advocate@hesc.org](mailto:advocate@hesc.org)

**If you are in default**  
1-800-666-0991  
[defaulthelp@hesc.org](mailto:defaulthelp@hesc.org)

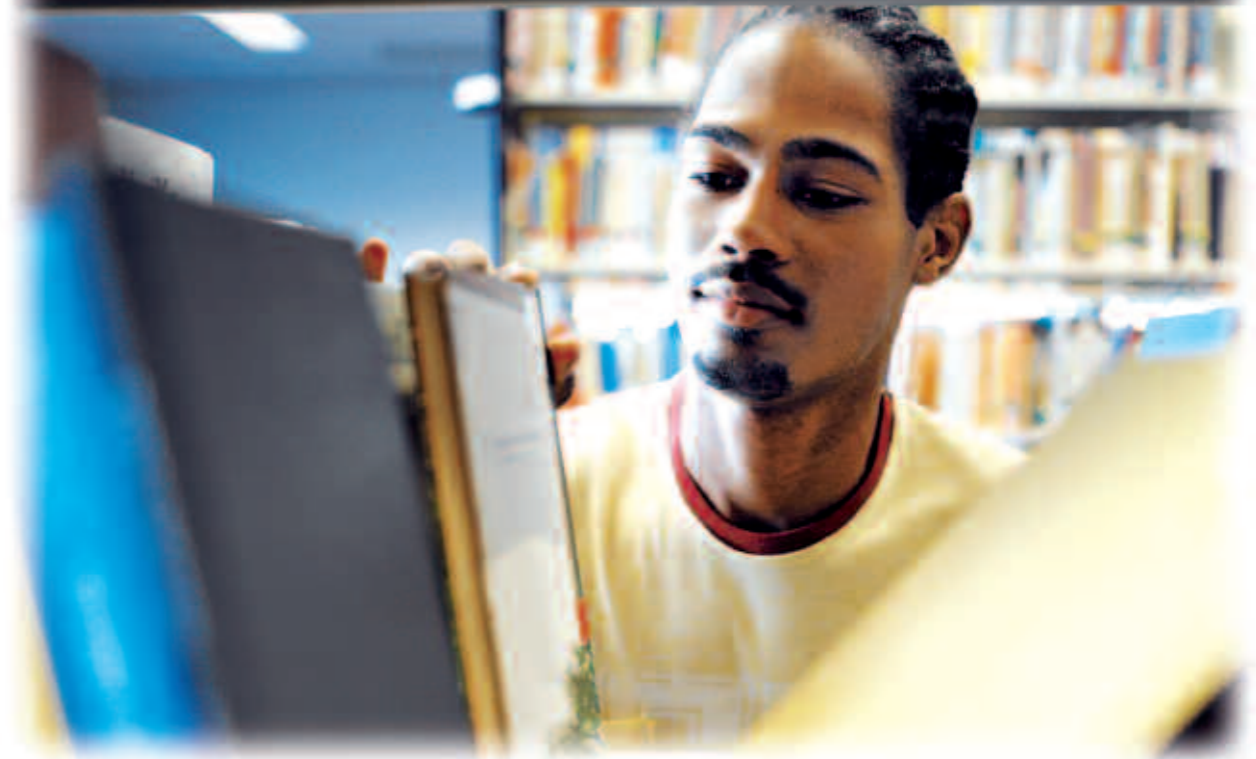
**Federal Student Aid Information**  
1-800-4-FED-AID  
1-800-433-3243



Your Student Aid Agency

New York State Higher Education Services Corporation

99 Washington Avenue, Albany, NY 12255  
[www.hesc.org](http://www.hesc.org)



Leaving college is an exciting time, filled with promise, new challenges and responsibilities like launching a career, living on your own or starting a family or business.

One of those responsibilities is repaying your student loans. Just like a car loan, home loan, or credit card, you have to repay student loans. You are responsible for the loan, even if you don't finish school or don't have a job after you leave school.

Paying your loans on time makes it easier for you to get other loans or apply for credit cards. Not paying can harm your credit rating and create big financial and legal problems for you.

The Higher Education Services Corporation (HESC) provides a wide range of services and support to help you repay your loan, from online resources to one-on-one help from financial experts.

HERE'S WHAT YOU NEED  
TO DO TO MANAGE AND  
REPAY YOUR LOAN

### Keep good records

Keep track of how much you borrow, and keep all paperwork relating to your loans. Use these records whenever you talk to your lender, servicer or financial aid office about your loan.

### Attend your exit interview

Just before you leave college, you'll be counseled about repaying your loan. During this exit interview, confirm your lender or lender's servicer and the status of your loans, and get a good estimate of the total amount you owe. If you are not graduating, tell your lender you're leaving college or attending less than half time.

**You can check your loan account status online at [www.hesc.org](http://www.hesc.org).**

## Create and stick to a budget

Develop a budget to help you live within your income and manage your payments. Use this worksheet or visit Smart Borrowing at [www.hesc.org](http://www.hesc.org).

<b>Monthly Income After Taxes</b>	\$ _____
<b>Monthly Expenses</b>	
Housing	\$ _____
Telephone/Utilities	\$ _____
<b>Student Loan Payment</b> (See Repayment Schedule below)	\$ _____
Food/Household Supplies	\$ _____
Transportation Costs	\$ _____
Automobile Costs	\$ _____
Gas	\$ _____
Insurance	\$ _____
Medical/Dental Insurance	\$ _____
Clothing	\$ _____
Emergency Fund Savings	\$ _____
Entertainment	\$ _____
Misc. Required Expenses	\$ _____
<b>Total Expenses</b>	\$ _____
<b>Remaining Funds</b>	\$ _____

## SAMPLE REPAYMENT SCHEDULE

Use this standard repayment schedule to estimate your monthly student loan payment, or calculate a loan repayment estimate using the online service at [www.hesc.org](http://www.hesc.org).

Sample Repayment Schedule — 7%			
Loan Amount	# of Monthly Payments	Monthly Payment	Total Finance Charge
\$2,000.00	36	\$61.75	\$223.10
2,625.00	60	51.97	493.69
4,000.00	108	50.03	1,403.24
6,000.00	120	69.66	2,359.20
10,000.00	120	116.11	3,933.20
20,000.00	120	232.21	7,865.05
50,000.00	120	580.54	19,655.13

## Contact your lender and choose a repayment plan

After you graduate, leave school or drop below half-time enrollment, you usually have six months before you begin repaying your loan.

During this grace period — but no later than 90 days before you start repaying your loan — contact your lender to choose a repayment plan and ask any questions. There are options other than the standard repayment plans. You can choose a graduated or income-sensitive schedule. The graduated schedule starts with a low monthly payment that increases during your repayment period. The income-sensitive schedule bases your monthly payments on your income.

Ask questions. Once you've chosen a repayment option, the lender will set up your schedule and tell you when your first payment is due. If you don't understand something, now's the time to ask.

## Start repayment

Pay your loan according to the repayment schedule you choose. The interest rate on your loan may be adjusted every year, so your payment amount or number of payments may vary.

You can prepay part or all of your loan principal at any time without penalty, which will save you money on interest. Tell your lender to apply these prepayments to your principal.

Most lenders and servicers offer online payments or regular deductions from your checking account.

## Keep in touch

Always notify your lender in writing if you change your name, address or phone number. Keep copies of all correspondence in your financial aid file, which should include all paperwork relating to your loan. Most important, contact your lender if you're having trouble repaying your loan.

## Know where your loan is

Since you took out your student loan, your original lender may have contracted with a servicer or sold your loan to a secondary market company. Either way, you still have the same rights and responsibilities as with your original lender. If you have any questions about servicers or secondary markets, start with the institution currently servicing your loan. Or call HESC at 1-888-NYSHESC.

## WHAT IF YOU CAN'T PAY YOUR LOAN?

If you fail to repay on time, you are *delinquent*. If you stay delinquent, you're in *default* — and the entire loan balance becomes due.

Default means trouble. You may be ineligible for further student aid or other credit. Collection charges may be added to every payment you make. To make sure your loan gets paid, your tax refunds may be seized — or even part of your wages may be taken to pay your loan.

But none of this has to happen. If you're having problems making payments, you may be eligible for a deferment, or you and your lender may agree to a forbearance to make repaying easier.

## Deferment

You can delay repayment by meeting certain criteria. Reasons can include unemployment, rehabilitation training, economic hardship or enrollment in various academic programs.

## Forbearance

Forbearance is an option your lender offers that temporarily suspends or reduces your payments. If you're unable to make payments, you can ask your lender to reduce your payments, extend the time you have for making payments, or temporarily halt your payments.

## Contact HESC

The HESC Advocate Unit can work with you to avoid default. They can refer you to your lender or the nearest not-for-profit New York state-licensed credit and debt counseling agency. These agencies can organize your debts, help you with a spending plan, and help you design a repayment plan you can afford.

## WHAT IF YOU DEFAULT?

Even if you default on your loan, there's still help — Income Contingent Repayment for temporary lower payments, the Rehabilitation Loan Program to remove your loans from default and repair your damaged credit, and Renewed Eligibility for Title IV Aid (RETA) to receive a new student loan or other aid.

## Consolidation

If you have one or more student loans — including any in default — you can apply for a Consolidation Loan. This program lets you combine all your federal student loans into one loan with one payment. Also, you can have up to 30 years to repay your loan. Any borrower with a Federal Family Education Loan (FFEL) or any other eligible education loan in default is eligible.

Consolidation loans are often promoted as a way to lower monthly payments or lock in a fixed interest rate. However, consolidation can increase the total costs of repaying your loan, and you can lose benefits such as rate discounts, principal rebates or cancellation benefits. Make sure consolidation is right for you.

For more information on the program, visit [www.hesc.org](http://www.hesc.org) or contact your lender.

## Make loan payments online

You can make payments on a defaulted loan easily online by visiting [www.hesc.org](http://www.hesc.org).