Financial Aid Plain Talk

Your Student Loan Responsibilities to our Benevolent Government

VALLEY
COLLEGE

Tuition Options/Payment Plans

- Some of you may have a payment plan with Tuition Options or Valley College. It is important that you make your payment timely to Tuition Options or Valley College.
- The payment plans offer no interest why you are in school, to allow you to focus on your education.
- If you feel you are going to miss a payment or need help catching up, contact Lynne Barrett.
- There is always help, but communication is the key.

You Signed a Loan with the Federal Government!

- Master Promissory Note (MPN)
  - That's **YOUR LOAN**
- MUST be paid back
  - Even if you do not complete your program of study
  - It's the Government!
    - They can garnish your wages!
    - They can take your tax refund!
- Good News!
  - If you have trouble there are MANY resources to help

The Federal Government's Side of the Deal

- You MUST attend Exit Counseling
- You MUST make monthly payments on loan
- You MUST communicate with the Federal Government
  - If you cannot make payments
  - If your contact information changes or if you go back to school
    - CONTACT YOUR SERVICER OR SCHOOL!

- **ALL YOU HAVE TO DO IS COMMUNICATE!**

6 months No Payment – What a Deal!

- 6 month grace period is only allowed one time.
- 6 month grace period begins when you:
  - Graduate OR Withdraw

Why?

- Our Government invests in us!
- Our Government wants us to be successful!
- Our Government gives us <u>time to find a job</u> before we start paying back

Don’t be a Delinquent!

- You will get incessant phone calls and letters from:
  - The Federal Government Loan Servicer!
  - Champion College Services!
  - Valley College!
- As a Business Professional YOUR CREDIT SCORE WILL MATTER!
  - Delinquencies = Bad Credit
  - Late payments = Breaking a Mirror
    - 7 year negative credit record = 7 years bad luck
    - Default= Bad Credit plus Garnishment

Federal Government:
“We know where you live!”

- Your Loan Servicer is acting for the Government and is calling to HELP you!
- If you ignore them, they will call your job or your references
- If you are unable to pay, contact your servicer immediately
- It is extremely important to resolve delinquency early
- **You may be able to temporarily suspend your payments**

Ignoring the problem is not a solution---call for help.

Consequences of Not Paying the Government
It’s called Default!

- **No more tax refunds!**
  - They will take your federal and state tax refunds until you are paid in full
- **They will garnish your wages!**
  - Less money for you and you have no control
- They will not loan you any more money and you lose eligibility for Free Money (Grants)

Just like you have to file and pay taxes, you must pay the government what you owe them for the opportunity they have afforded you!

Ways the Government Gives You Relief

- Forbearance
  - Financial/Medical difficulties, for example
- Deferment
  - Unemployment, military, in-school
- Income based repayment plans
  - Longer term benefits

Income Based Repayment Plans

- Based on your income
  - Payments can be as low as $0
  - No other loan company or bank will do this! (Thank you U.S. Govt!)

To apply submit:

- Income-Driven Repayment Plan request at http://www.studentloans.gov or
- paper application to your loan servicer.

Look at all the help you get!

Valley Servicers:

Valley College	(304) 620-3019	www.valley.edu
Champion College Services	(800) 761-7376	www.bacfreedom.com

Federal Loan Servicers (You will have at least one of these)

Nelnet	(888) 486-4722	www.nelnet.com
Navient	(800) 722-1300	www.navient.com
Fed Loans (Pheaa)	(800)-699-2908	www.myfedloan.org
Great Lakes	(800) 236-4300	www.mygreatlakes.org

Opportunity and Obligation

Opportunity: The government has afforded YOU the opportunity to go to school. Allowing YOU to borrow money with low interest and flexible repayment terms .

Obligation: YOU have an obligation to repay our benevolent government back what YOU owe.