VISTA Webinars

Welcome to

Using the Education Award and Managing Student Loans

To join the audio portion by phone, please dial: 800.988.9536
Passcode: 9670753

While you wait, please share in the chat box what you think you'd like to use your Education Award for?

Corporation for National & Community Service

AmeriCorps VISTA
Volunteers In Service To America

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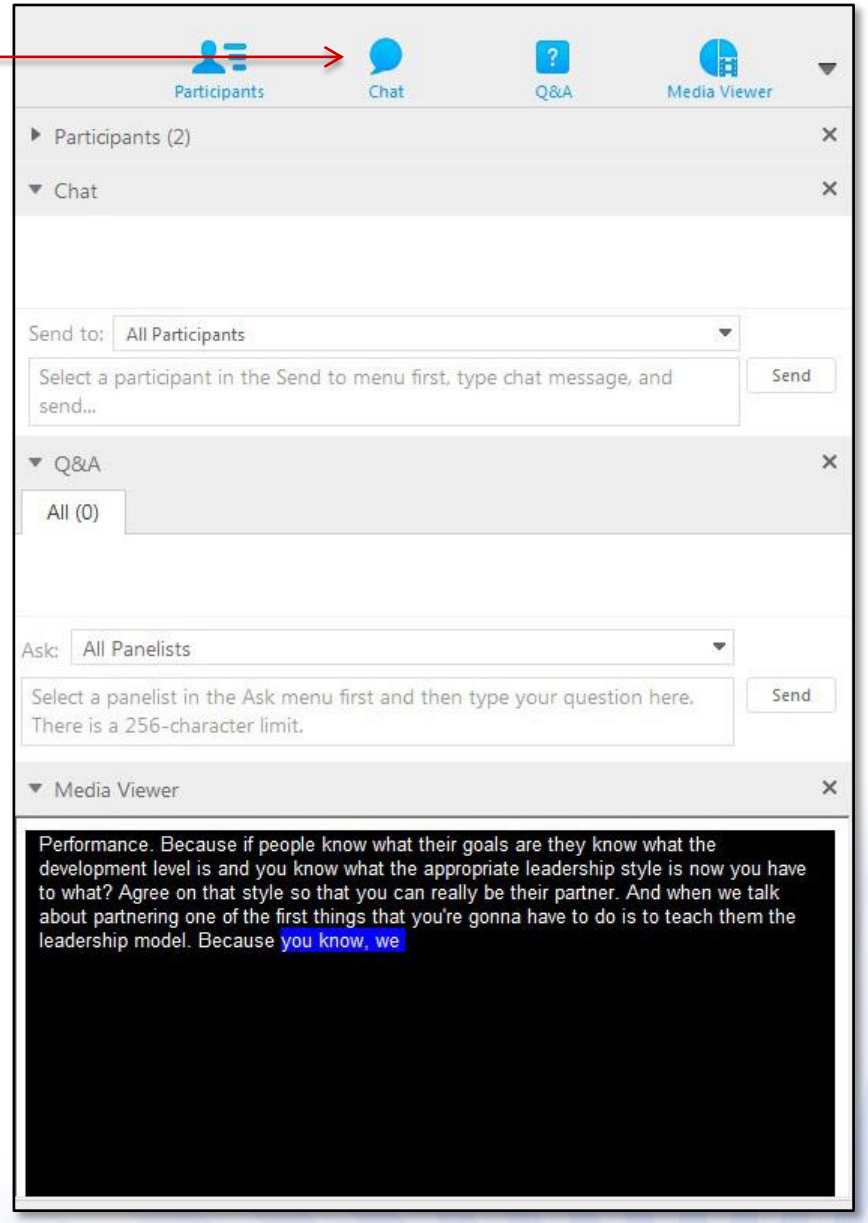
Tips for Participating

- Audio broadcast by phone and online
- To share comments and ideas, use the Chat panel. Send to “All Participants”.
- To ask questions, use the Q&A panel. Send to “All Panelists”.
- Links and recording will be available after the session
- Closed Captions can be viewed in the Media Viewer panel

Click this button if you don’t see the chat panel.



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VISTA Webinars

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Using the Education Award and Managing Student Loads

Corporation for National & Community Service

VISTA Volunteers In Service To America

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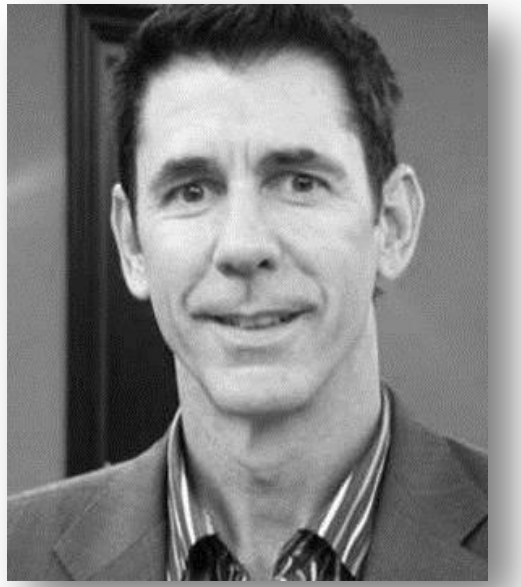
Today's Team

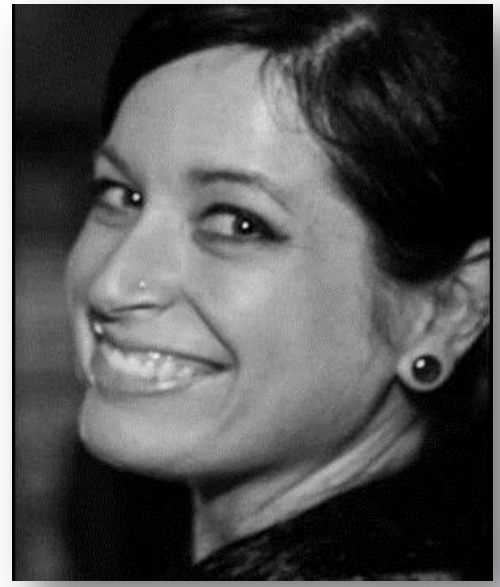


Andy King

Training Specialist
AmeriCorps VISTA

Jessica Knight

Education Northwest



Endi Clark

Education Northwest

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Today's Presenters

ShaVonne Walker

VISTA Member Support Specialist

CNCS

Calvin Landrum

VISTA Member Support Specialist

CNCS

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Today's Agenda

- Using the Education Award to pay existing and future debt
- Loan forbearance & deferment
- Public service loan forgiveness
- Income based repayment
- Questions and resources

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Poll

Do you know what kind of student you loans you have?

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Types of Loans

- Federal Direct Loans
  - Subsidized
  - Unsubsidized
  - PLUS
- Federal Perkins Loans
- Private Loans

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Education Award: The Basics

Member type	Number of service hours	Award Amount
Full-Time	1700	$5,730.00
Summer Associate	300	$1,212.44

- Must complete 12 months of service
- Administered through the MyAmericorps.gov portal
- Valid for education related expenses

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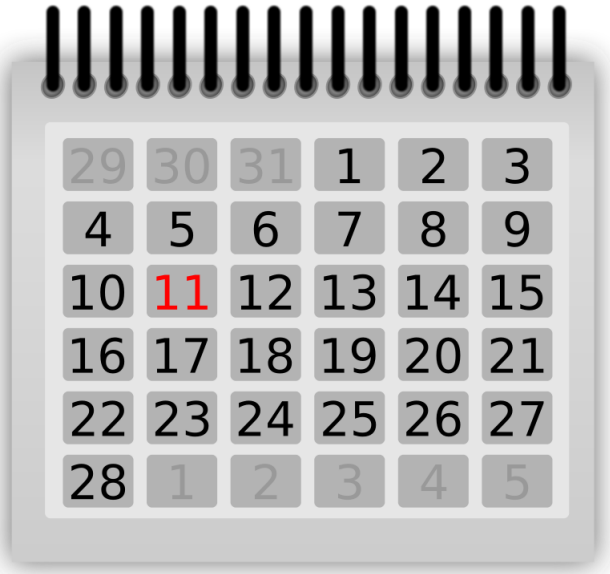
Limits of Use for AmeriCorps



- Available for use for 7 calendar years from the last day in service.
- Lifetime limit of 2 full Education Awards
- Not transferable to dependents

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Ways To Use the Education Award

- Paying Existing Debt
- Paying Future Cost
- Other Uses

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Paying Existing Student Debt

Federal Loans: • Given, backed or consolidated through the federal government	Private Loans

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Paying Future Education Costs

- Traditional Uses
  - Tuition & Fees
- There are many colleges or universities that match the education award
- Must be a Title IV institution

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Paying Future Education Costs

Expenses are factored into “cost of attendance”

- Supplies
  - Books
  - Equipment
- Cost of Living
  - Rent
  - Food
  - Transportation

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Paying Future Education Costs

What	Cost
Tuition	$4,000
Fees	$500
Books	$700
Total	$5,200
Financial Aid Package	$5,000
Education Award Payment	$1,200
Refund	($1,000)

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Paying Future Education Costs

As long as it’s through a Title IV institution……

Enrichment Classes

Trade Schools

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Paying Future Education Costs

As long as it’s through a Title IV institution……

You can even study abroad!

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National Outdoor Leadership School

VISTA alum Rob Cox

- Enrolled via a Title IV institution
- http://www.nols.edu/financialaid/americorps_steps.shtml

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National Outdoor Leadership School

Rob used his Education Award for a 21 Day Baja Coastal Sailing Course

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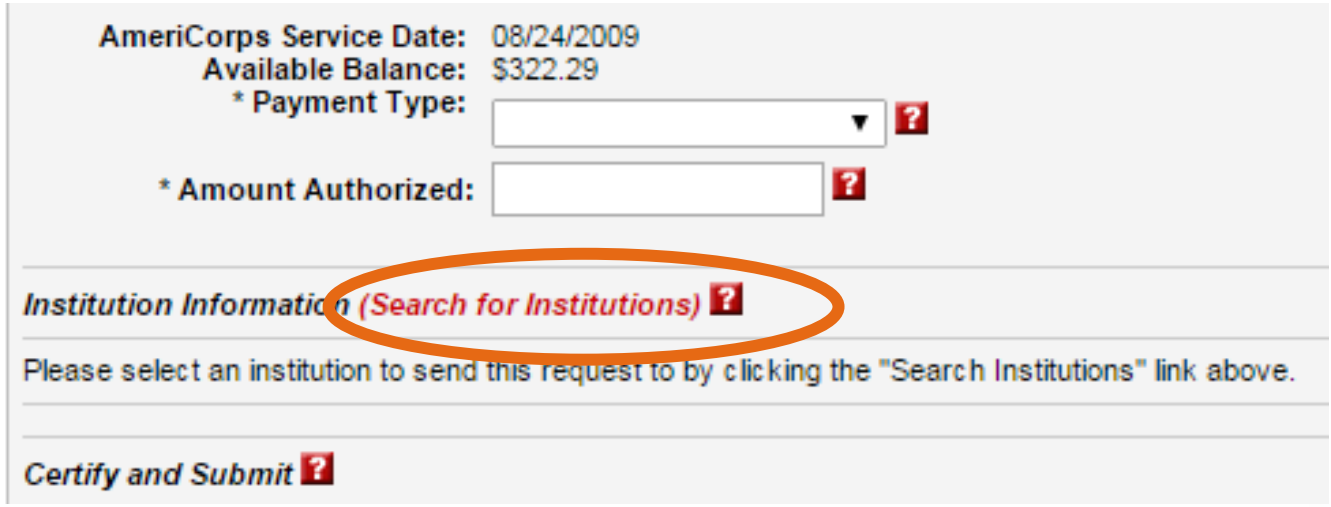
Initiate a Payment Request



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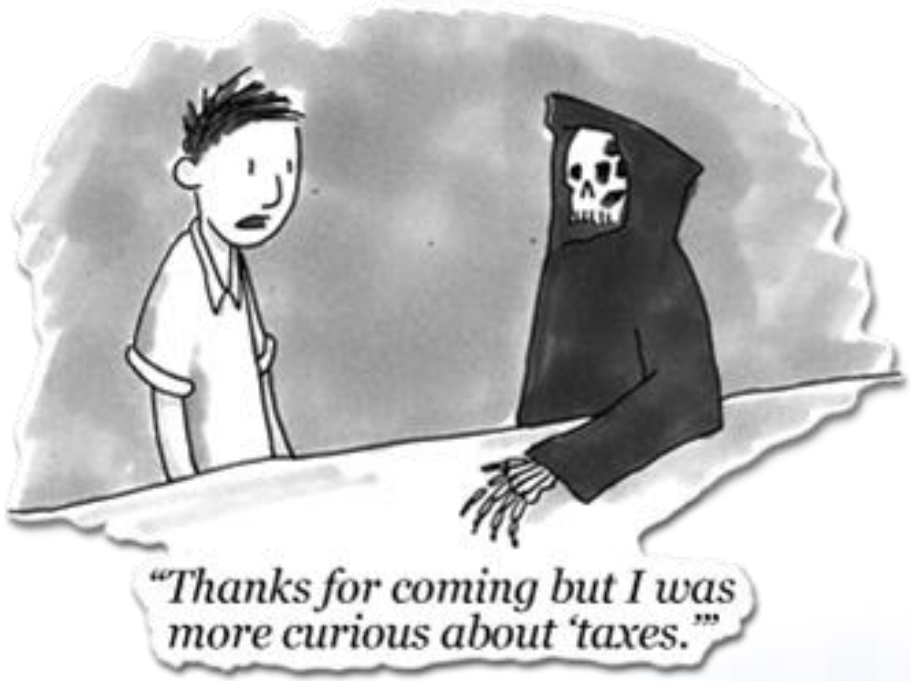
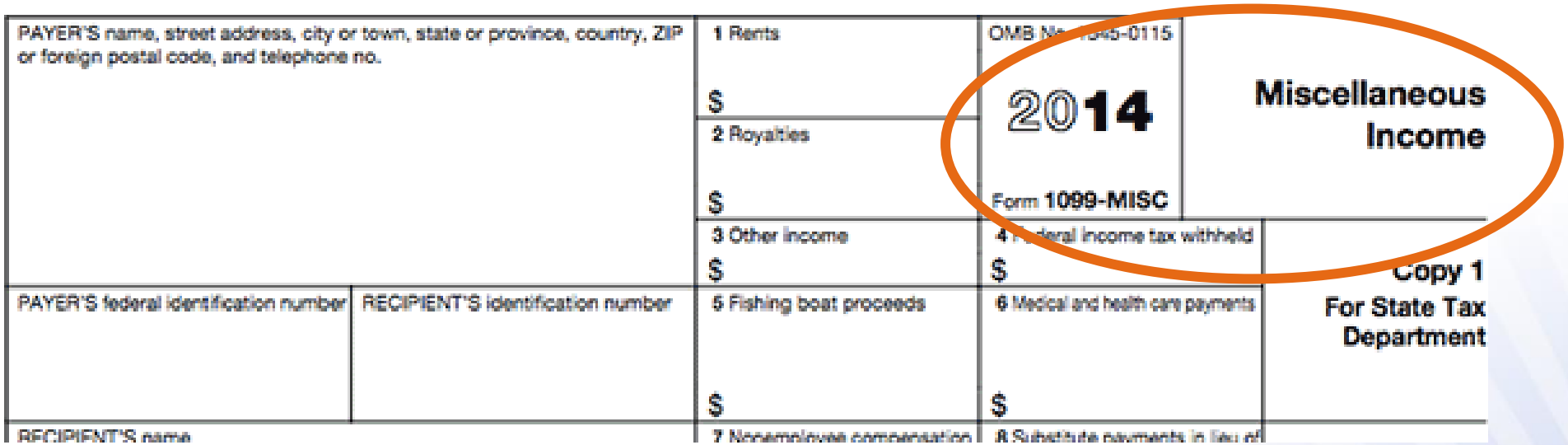
Tax Liability

- The Education Award is subject to income tax:
  - For the amount that was used
  - In the year it is used



1099- MISC Form

- A 1099-MISC form posts to my.americorps.gov by Jan 31st each year when $600 + is used.



PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents $	OMB No. 1545-0115 **2014** Form **1099-MISC**	**Miscellaneous Income**
		2 Royalties $		
		3 Other income $	4 Federal income tax withheld $	**Copy 1 For State Tax Department**
PAYER'S federal identification number	RECIPIENT'S identification number	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name		7 Nonemployee compensation	8 Substitute payments in lieu of	

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Federal Education Tax Credits

- Hope Scholarship Tax Credit
- Lifetime Learning Tax Credit
- American Opportunity Tax Credit

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Managing Student Loans

- Loan Forbearance
- Loan Deferment
- Public Service Forgiveness Program
- Income Based Repayment

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Poll Question

Are your loans in forbearance or deferment yet?

National Service Loan Forbearance

- Allows you to temporarily postpone making federal student loan payments.

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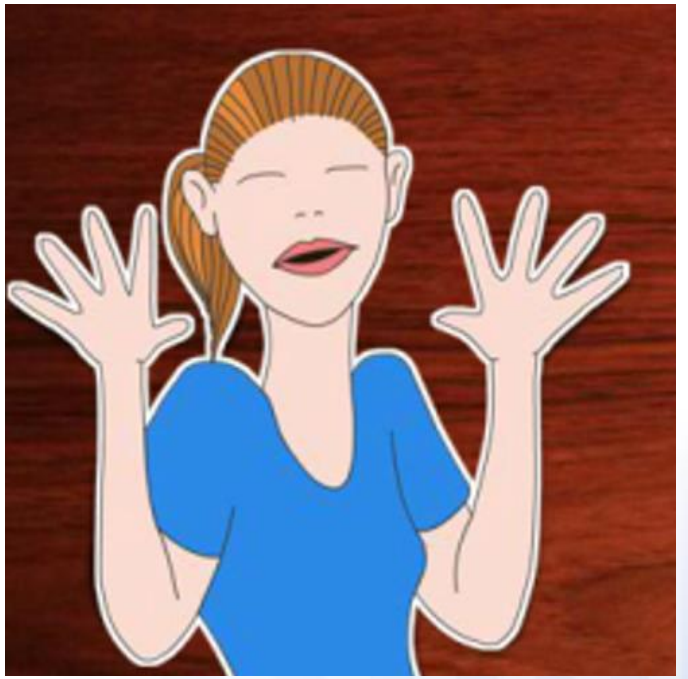
Which Loans Qualify for Forbearance?

- Most Federal Loans
  - except Parent PLUS and Perkins
- Consider consolidating loans that don’t qualify
- Ask private lenders if they offer some other type of deferment



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Benefits of Forbearance

- No monthly payments during forbearance
- Interest accrued during forbearance will be paid by CNCS
  - must be requested after your service year
  - are taxable income
  - are in addition to the Education Award

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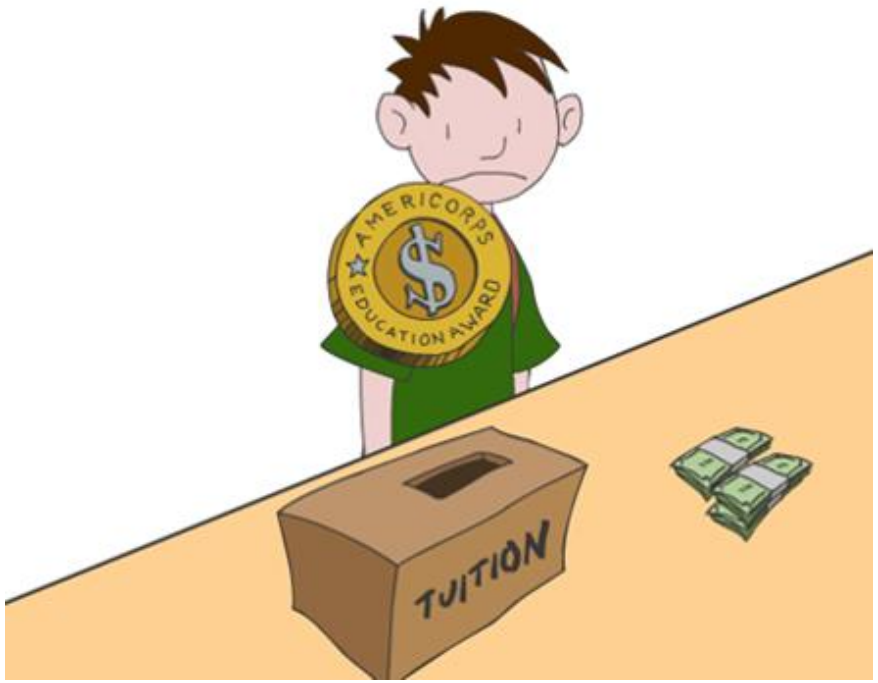
Forbearance Limits



- Must choose the Education Award
- Not available during extensions
- Forfeited if service term is incomplete
  - Accrued interest due

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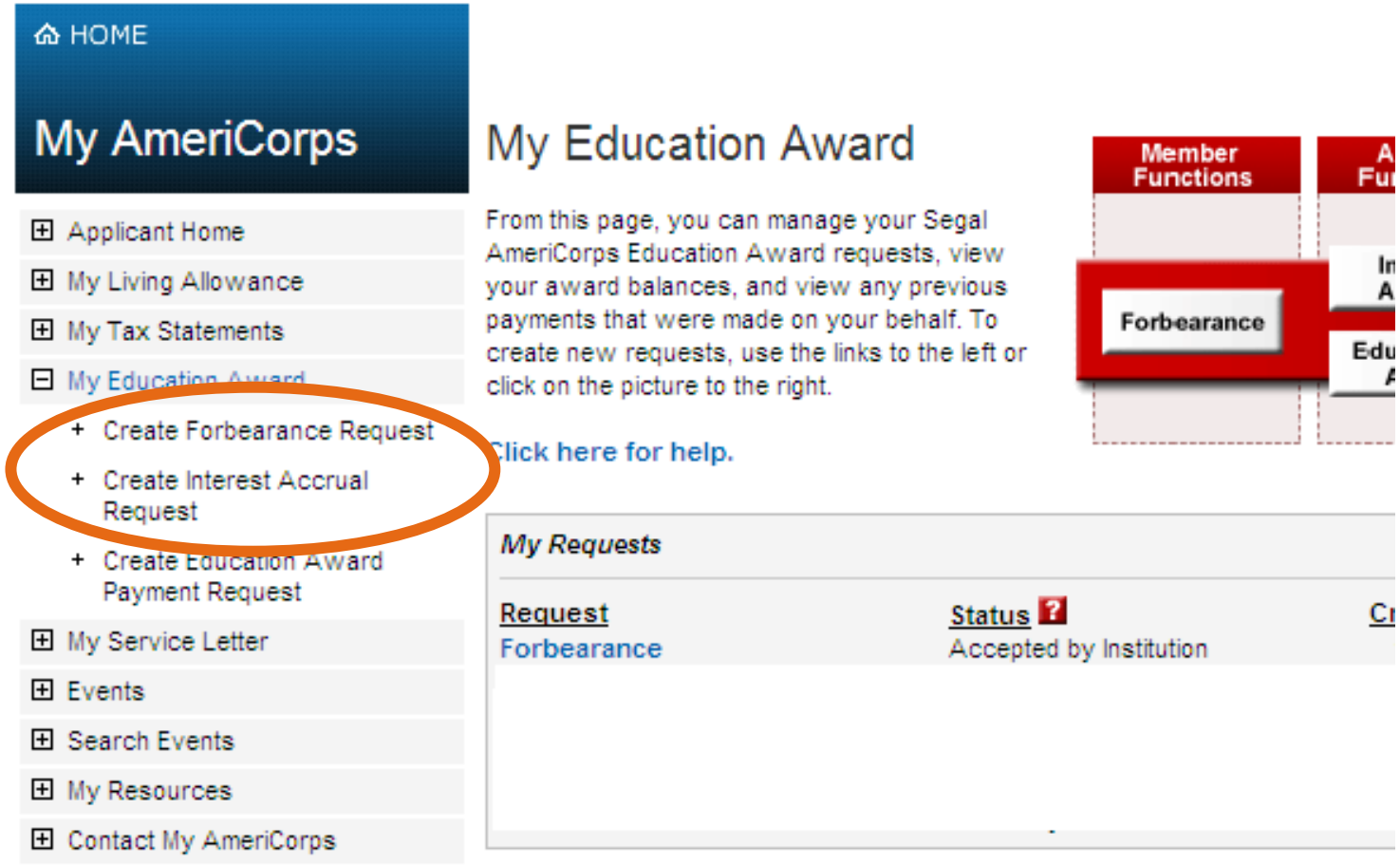
Request Forbearance or Interest Payment



- If your lender is not listed, click "Institution not found"

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How to submit a paper request

- Available through the National Service Hotline upon request, but takes significantly longer to process.

Options for 3-term VISTAs

	1. Cash stipend	2. "Zero" value Education Award
End-of-service benefit	$1,500	$0
National Service Loan Forbearance		
Interest accrual payment		

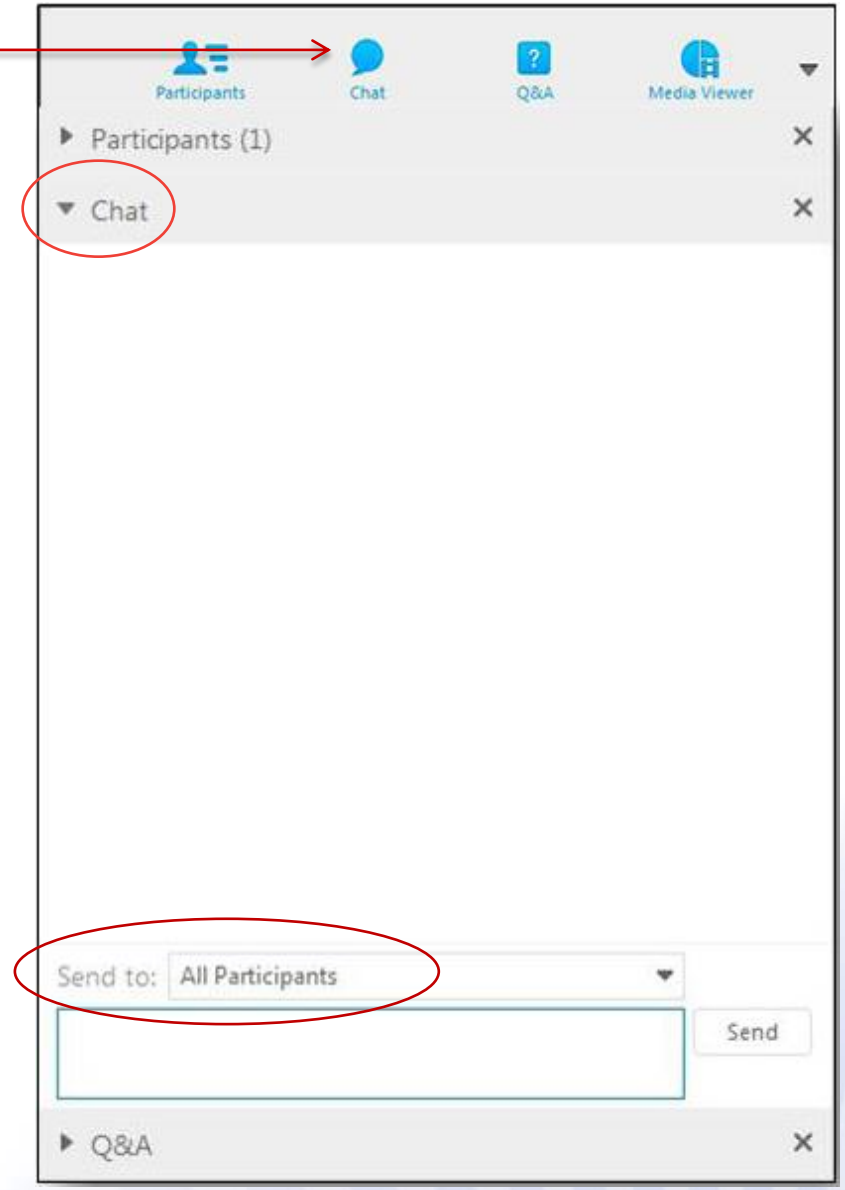
What is Loan Deferment?

	Deferment	Forbearance
Loan Type	Private Loans	Federal Direct Loans
Request through	Private Lender	My AmeriCorps.gov
Interest Accrual Payment		

Chat Question

Are you interested in a public sector career one day? If so, share what types of careers interest you?

Click this button if you don't see the chat panel.



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What is Public Service Loan Forgiveness?

Federal Direct Loans	Federal Perkins Private Loans

100% of your remaining balance is forgiven after:

- 120 on-time full monthly payments made while employed by a public service organization

- Payments don’t need to be consecutive

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Qualifying Public Service Employment

- Full-time employment only
  - Local, state, and federal government organizations
  - Nonprofit organizations
  - Public education, school library, and other school-based services

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Public Service Employment Examples

- Emergency management
- Military Service
- Public Safety
- Law Enforcement
- Public Health Services
- Public Law Services
- Early Childhood Education

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Applying for PSLF

1. Download the Employment Certification Form from FedLoan Servicing:
    - Submit annually and when you change jobs
2. VISTA Service counts!
    - Submit form to the VMSU for certification
3. After your 120th qualifying payment, submit the PSLF application

What is Income Based Repayment (IBR)?

• Federal Direct Loans	• Federal Perkins • Private Loans

- Adjusts your monthly loan payment as a fixed percentage of your income.
- Balance forgiven after 25 years

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Income Based Repayment

- Payment amount – 10-15% of discretionary income

- EXAMPLE: $30,000 salary
  - Original loan payments= $250 per month
  - Payments with IBR= $102 per month

- StudentLoans.gov
  - Online Repayment Estimator Tool

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Income Based Repayment

- Qualification: must have a partial financial hardship

Pro's / Con's

+ Monthly payments are lower

- More interest accrues

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Making The Most of Your Benefits

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During Service:

- ✓Apply for the IBR program and get your monthly payments down to a minimum.
- ✓Apply for forbearance while in service.
- ✓Consider a “zero” value award for 3rd VISTA term

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After Service:

- ✓Maintain tax records, pay stubs and loan statements.
- ✓Schedule your IBR payment each month using your education award.
- ✓After 120 payments working in the public sector, submit your balance to PSLF to be forgiven!

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If You Have Perkins Loans

When balance is at least $37,000:

- Select cash stipend
- Put loan in deferment
- At completion of VISTA term
  - 15% of Perkins loan is forgiven
  - Dept. of Education pays interest

Not eligible for IBR or PSLF.

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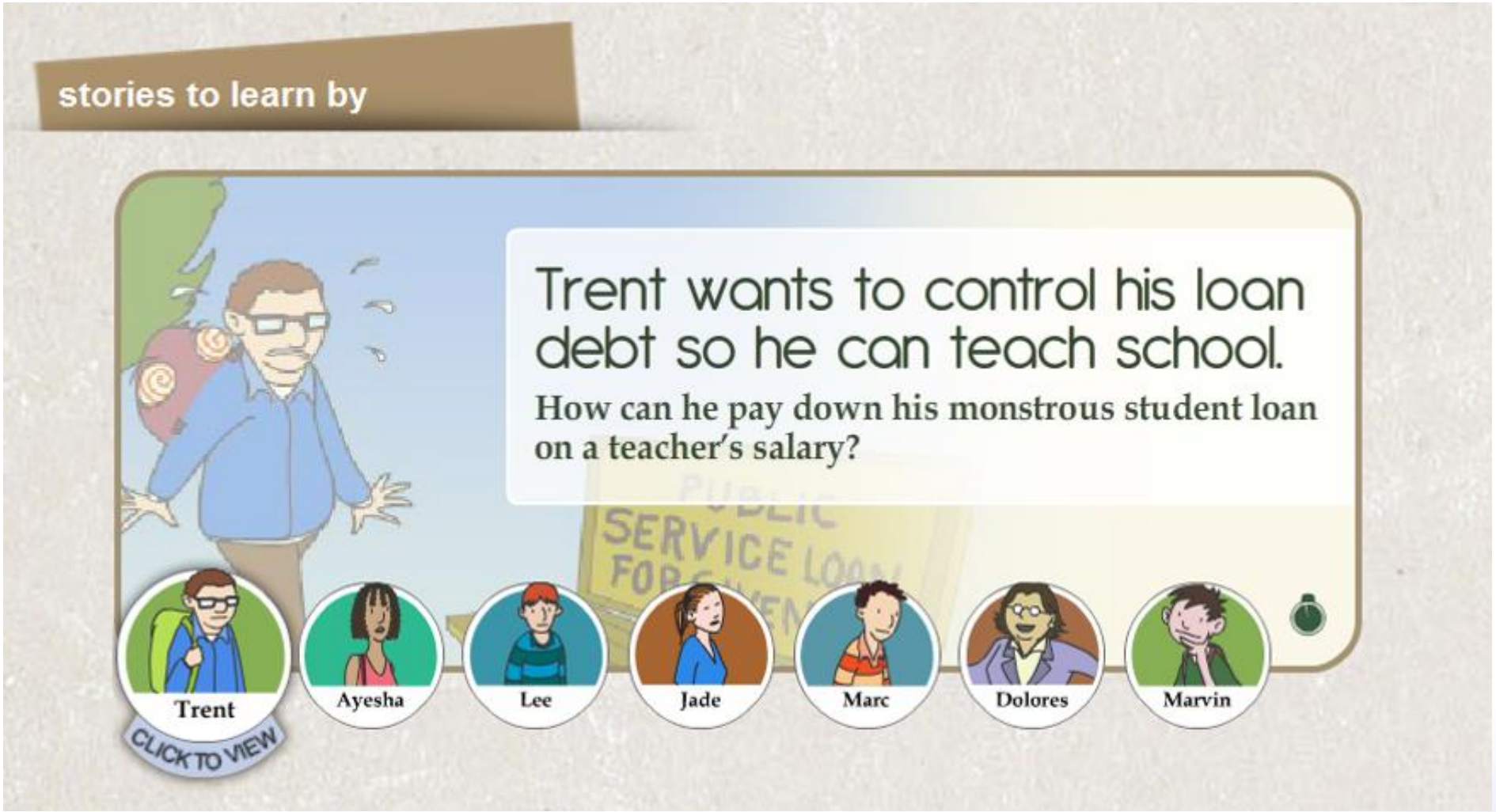

www.nationalserviceresources.gov/edaward

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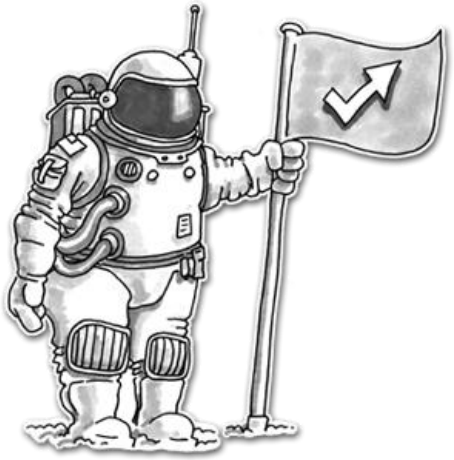
Next Steps



1. Know what specific type of loan(s) you have.
2. Explore the Education Award website
3. Check with your lender if you haven't already placed your loan in forbearance or deferment.
4. Explore Income Based Repayment and Public Service Loan Forgiveness.
5. Make sure your lender is listed on my.americorps.gov

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Evaluation

- Please take a few moments to share your feedback through the quick poll on the right side of the screen.
- How can we improve these sessions? What topics should we include in future webinars?
- Thank you very much for your time and participation!

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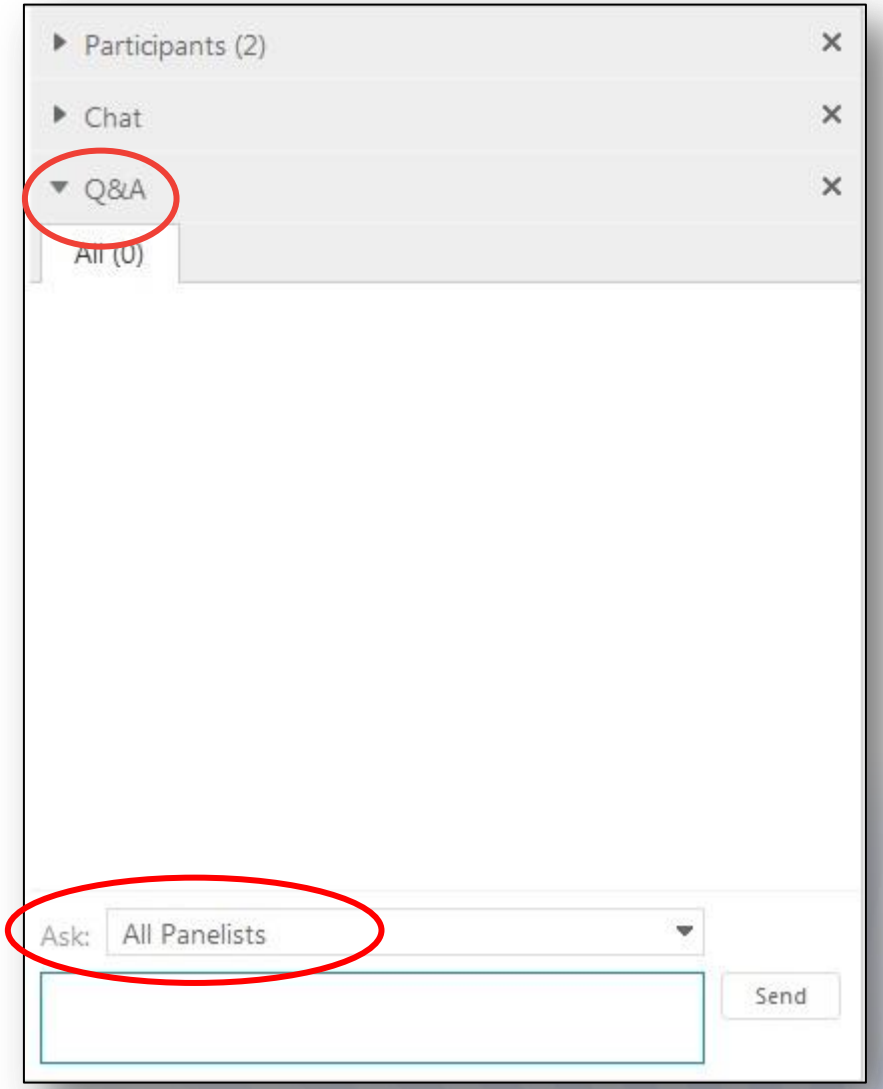
Questions

1. Using the Education Award
2. Loan Forbearance/Deferment
3. PSLF/ IBR
4. Open Questions

To ask electronically:



To call in: dial *1

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Thank You for Your Participation!

If you have further questions or for more information, contact us: **VISTAwebinars@cns.gov**

Our next webinar:

Innovative Volunteer Recruitment

July 22, 2015

2:00pm Eastern

Visit the Webinars for VISTAs page on the VISTA Campus for a complete schedule of VISTA webinars