



Welcome to

Managing Student Loans




Dial: **888.469.1672** Passcode: **3870403**

Today's Team



Molly Pelzer
Training Specialist
AmeriCorps VISTA



Jessica Knight
Education Northwest



Endi Clark
Education Northwest

Dial: **888.469.1672** Passcode: **3870403**

Today's Presenters



ShaVonne Walker
VISTA Member Support
Specialist
CNCS



Calvin Landrum
VISTA Member Support
Specialist
CNCS



Taryn Vanaskie
Program Officer,
Pennsylvania
State Office

Dial: **888.469.1672** Passcode: **3870403**

Today's Agenda



Dial: 888.469.1672 Passcode: 3870403

Managing Student Loans Will Depend On...

1. Your types of loans
2. Your End-of-Service benefit
3. Your future career plans

Dial: 888.469.1672 Passcode: 3870403

Poll

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

Identify Your Loans

Dial: 888.469.1672 Passcode: 3870403

Types of Student Loans

	Federal Direct <ul style="list-style-type: none">• Subsidized• Unsubsidized• Parent PLUS	Federal Perkins	Private
Lender			

Dial: 888.469.1672 Passcode: 3870403

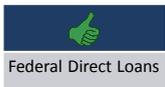
Poll Question

Are your loans in forbearance or deferment yet?



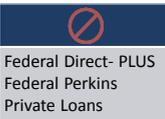
Dial: 888.469.1672 Passcode: 3870403

National Service Forbearance



Federal Direct Loans

- Benefit available for those with the Education Award



Federal Direct- PLUS
Federal Perkins
Private Loans

- Temporarily postpone most *Federal* Loan payments during service
- Managed through the National Trust

Dial: 888.469.1672 Passcode: 3870403

Benefits of Forbearance



- No monthly payments during forbearance
- Interest accrued during forbearance can be paid by CNCS
 - You must submit a request after your service
 - It is in addition to the Education Award
 - It is taxable income

Dial: 888.469.1672 Passcode: 3870403

Forbearance Limits



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

Dial: 888.469.1672 Passcode: 3870403

Forbearance & Interest Accrual Requests

My AmeriCorps

- My AmeriCorps Home
- My Living Allowance
- My Tax Statements
- My Service Awards
 - Create Forbearance Request
 - Create Interest Accrual Request
 - Create Education Award Payment Request
- My Service Letter
- Events
- Search Events
- My Resources
- Contact My AmeriCorps

My Education Award

From this page, you can manage your Segal AmeriCorps Education Award requests, view your award balances, and view any previous payments that were made on your behalf. To create new requests, use the links to the left or click on the picture to the right.

[Click here for help.](#)

My Requests

Request	Status
Forbearance	Accepted by Institution



▪ Interest accrual payments are considered taxable income

▪ 3-5 days to process

Dial: 888.469.1672 Passcode: 3870403

How to submit a paper request

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

1-800-942-2677



Dial: 888.469.1672 Passcode: 3870403

Scenario: 3rd term VISTA

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

Dial: 888.469.1672 Passcode: 3870403

What is Loan Deferment?



- Postpone loan payments for loans that don't qualify for National Service Forbearance
- Directly through your lender
 - Request to defer payments due to *economic hardship*
 - Not guaranteed
- No interest accrual benefit

Dial: 888.469.1672 Passcode: 3870403

Loan Repayment Options

- Consolidate Loans
- Reduce Loan Payments
 - Enroll in an Income Driven Repayment Plan
- Pay loans using the Education Award



Dial: 888.469.1672 Passcode: 3870403

Consolidating Student Loans

- Direct Loan Consolidation
- Private Loan Consolidation



Dial: 888.469.1672 Passcode: 3870403

Income Driven Repayment Plans

- Three Plan Types
 - Income Based Repayment (IBR)
 - Pay As You Earn
 - Income Contingent Repayment (ICR)
- Apply Online
- Check out the Repayment Estimator Tool



Dial: 888.469.1672 Passcode: 3870403

Using the Education Award

AmeriCorps Service Date: 05/24/2009
 Available Balance: \$322.29
 Payment Type:
 * Amount Authorized:
 Institution Information: [Search for Institutions](#)
 Please select an institution to send the request to by clicking the "Search Institutions" link above.
 Certify and Submit

- My AmeriCorps
 - Applicant Home
 - My Tax Statements
 - My Education Award
 - Create Forbearance Request
 - Create Interest Payment Request
 - Create Education Award Payment Request
 - My Service Letter
 - Contact My AmeriCorps

Payment usually within 48 hours

Dial: 888.469.1672 Passcode: 3870403

Tax Liability

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

1	Wages, salaries, tips, etc.		
2	Dividends and interest		
3	Capital gains and losses		
4	Retirement distributions		
5	Other income		
6	Other income		
7	Non-employee compensation		
8	Other income		
9	Other income		
10	Other income		
11	Other income		
12	Other income		
13	Other income		
14	Other income		
15	Other income		
16	Other income		
17	Other income		
18	Other income		
19	Other income		
20	Other income		
21	Other income		
22	Other income		
23	Other income		
24	Other income		
25	Other income		
26	Other income		
27	Other income		
28	Other income		
29	Other income		
30	Other income		
31	Other income		
32	Other income		
33	Other income		
34	Other income		
35	Other income		
36	Other income		
37	Other income		
38	Other income		
39	Other income		
40	Other income		
41	Other income		
42	Other income		
43	Other income		
44	Other income		
45	Other income		
46	Other income		
47	Other income		
48	Other income		
49	Other income		
50	Other income		
51	Other income		
52	Other income		
53	Other income		
54	Other income		
55	Other income		
56	Other income		
57	Other income		
58	Other income		
59	Other income		
60	Other income		
61	Other income		
62	Other income		
63	Other income		
64	Other income		
65	Other income		
66	Other income		
67	Other income		
68	Other income		
69	Other income		
70	Other income		
71	Other income		
72	Other income		
73	Other income		
74	Other income		
75	Other income		
76	Other income		
77	Other income		
78	Other income		
79	Other income		
80	Other income		
81	Other income		
82	Other income		
83	Other income		
84	Other income		
85	Other income		
86	Other income		
87	Other income		
88	Other income		
89	Other income		
90	Other income		
91	Other income		
92	Other income		
93	Other income		
94	Other income		
95	Other income		
96	Other income		
97	Other income		
98	Other income		
99	Other income		
100	Other income		

If you use more than \$600, A 1099-MISC form posts to my.americorps.gov by Jan 31st each year

Dial: 888.469.1672 Passcode: 3870403

Tax Liability Is Dependent On:

- + 1. Your Annual Income During The Year Of Use
 - + 2. Education Award Amount Used
 - 3. Your Eligible Personal Tax Credits/Deductions
- = Taxable Income
- Taxed @
- 4. Federal Tax Rate
 - 5. State Tax Rate

- Single or married?
- Exemptions?
- In school?
- Veteran status?

Dial: 888.469.1672 Passcode: 3870403

Scenario: Right After Service

Factor	2014 Tax Year	2014 Tax Year
1. Annual Income During The Year Of Use	\$10,000	\$10,000
2. Education Award Amount Used	\$500	\$5730
3. Personal Credits and Deductions	-\$8000	-\$8000
<i>Taxable Income</i>	\$2,500	\$7730
<i>Federal Tax Rate</i>	10%	10%

▪ Increased taxable income

Dial: 888.469.1672 Passcode: 3870403

Scenario: 5 Years After Service

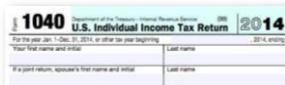
Factor	2019 Tax Year
1. Annual Income During The Year Of Use	\$40,000
2. Education Award Amount Used	\$5730
3. Personal Credits and Deductions	-\$8000
<i>Taxable Income</i>	\$37,730
<i>Federal Tax Rate</i>	15%

▪ Increased tax bracket

Dial: 888.469.1672 Passcode: 3870403

Estimating Your Tax Liability

- If you use your Ed Award all at once you will likely have a higher overall tax liability
- If you use it in smaller chunks to pay loans, your taxes will be lower, but it will take longer to pay off
- Activity:
 - Download a 1040 Form and estimate your liability



Dial: 888.469.1672 Passcode: 3870403

Free Tax Resources



- In person tax prep for incomes <\$53,000



- Online tax prep for incomes <\$60,000



- Best place to ask questions

Dial: 888.469.1672 Passcode: 3870403

Chat Question

Eliminate Loans

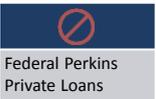
Are you interested in a public sector career one day? If so, share what types of careers interest you?

Dial: 888.469.1672 Passcode: 3870403

Public Service Loan Forgiveness (PSLF)



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

Dial: 888.469.1672 Passcode: 3870403

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

Dial: 888.469.1672 Passcode: 3870403

Public Service Employment Examples



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

Dial: 888.469.1672 Passcode: 3870403

Applying for PSLF



1. Download Employment Certification Form from FedLoan Servicing

2. Submit annually and when you change jobs

3. After 120 payments, submit the PSLF application

VISTA Service counts!
Submit form to the VMSU
for certification: fax #703-
206-7277.

Dial: 888.469.1672 Passcode: 3870403

IBR + PSLF Example



Calvin Landrum
VISTA Member Support
Specialist
CNCS

- \$24,000 Loan Balance
- \$30,000 salary
 - Original loan payments= \$250 per month
 - Payments with IBR= \$102 per month
- Working towards 120 payments for PSLF
 - 12 payments credited using Education Award



Dial: 888.469.1672 Passcode: 3870403

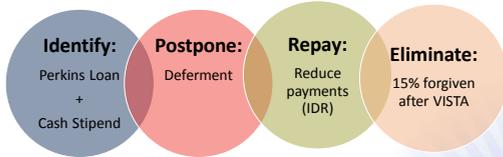
Perkins Loans: >\$37,000



Not eligible for IDR or PSLF



Eligible for 15% loan forgiveness after service



Dial: 888.469.1672 Passcode: 3870403

Making The Most of Your Benefits



Dial: 888.469.1672 Passcode: 3870403

During Service:

- ✓ Apply for an IDR 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

Dial: 888.469.1672 Passcode: 3870403

After Service:

- ✓ Maintain tax records, pay stubs and loan statements.
- ✓ Make IDR payments each month using your education award.
 - Only 12 can count towards PSLF
- ✓ After 120 payments made while working in the public sector, submit your balance to PSLF to be forgiven!

Dial: 888.469.1672 Passcode: 3870403

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 Driven Repayment and Public Service Loan Forgiveness.
5. Make sure your lender is listed on my.americorps.gov

Dial: 888.469.1672 Passcode: 3870403

Resources

my.americorps.gov	Forbearance, interest & payment requests
studentloans.gov	Income Driven Repayment Plans
myfedloan.org	PSLF
irs.gov	Tax rates and information
EdAward.org	Using the Education Award
VMSU Hotline (1-800-942-2677)	Questions!

Dial: 888.469.1672 Passcode: 3870403

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!

Dial: 888.469.1672 Passcode: 3870403

Questions ?

- To ask a question verbally, call in using the number on this slide and press *1
- To ask a question electronically, use the Q&A feature located in the bottom right corner of the screen. Please ask "All Panelists"



Dial: 888.469.1672 Passcode: 3870403

Thank You for Your Participation!

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

Our next webinar:

Better Together: Organizational Partnerships and Collaboration

October 28

2:00pm Eastern

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

Dial: Passcode:
