



Welcome to

Managing Student Loans

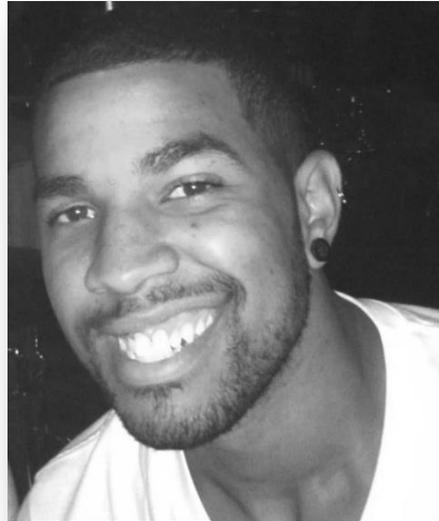
Corporation for
NATIONAL &
COMMUNITY
SERVICE 



Dial:

Passcode:

Today's Presenters



Calvin Landrum

Training Coordinator
AmeriCorps VISTA

CNCS

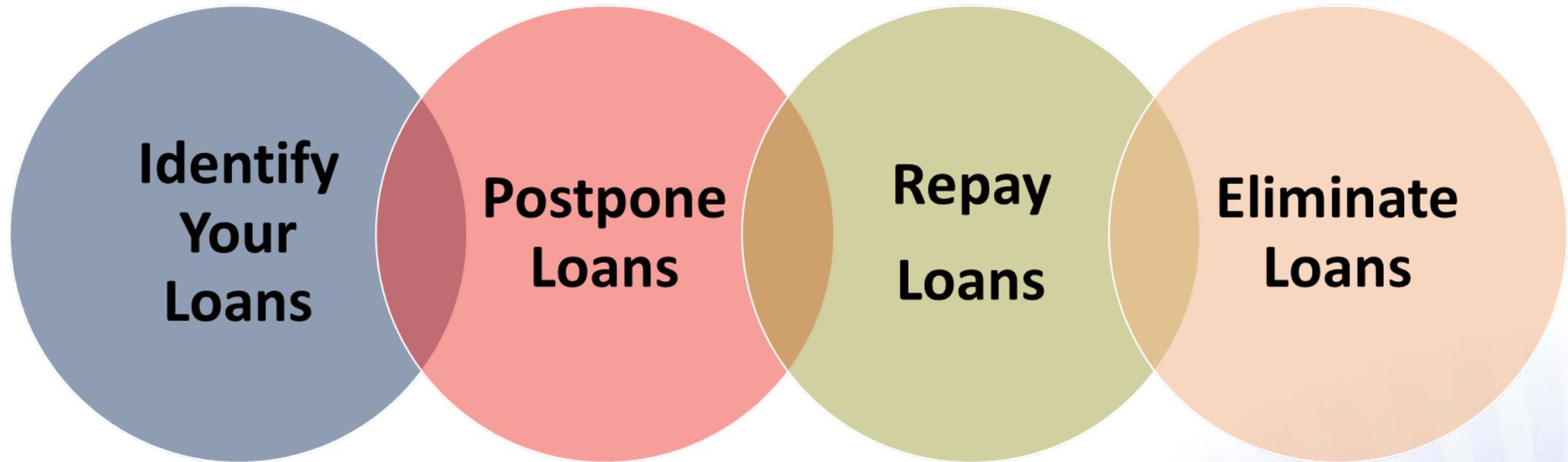


Natasha Douglas, MA

Member Support Specialist
AmeriCorps VISTA

CNCS

Today's Agenda



Managing Student Loans Will Depend On...

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

Poll

1. Do you know what kind of student loans you have?
2. Are any of your loans in forbearance or deferment yet?

Identify
Your
Loans

Types of Student Loans

Identify
Your
Loans

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

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

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

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

Forbearance & Interest Accrual Requests

Postpone
Loans

My AmeriCorps

- ⊕ Applicant Home
- ⊕ My Living Allowance
- ⊕ My Tax Statements
- ⊖ **My Education Award**
 - + 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.](#)



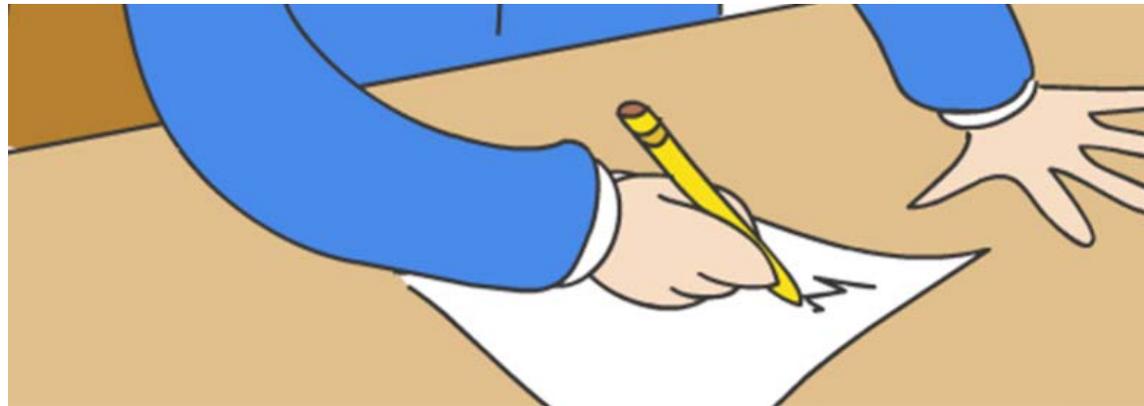
- 3-5 days to process

<i>My Requests</i>	
<u>Request</u>	<u>Status</u> ?
Forbearance	Accepted by Institution

How to submit a paper request

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

1-800-942-2677



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		

What is Loan Deferment?



- Postpone 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

Loan Repayment Options

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



Repay
Loans

Consolidating Student Loans

Repay
Loans

- Direct Loan Consolidation



- Private Loan Consolidation



Income Driven Repayment Plans

Repay
Loans



Federal Direct
Loans



Federal Perkins
Private Loans

- Adjusts monthly payment as a fixed percentage of your income (10-20%).
 - VISTA payment could be \$0
- Pro's / Con's
 - + Monthly payments are lower
 - + Balance might be forgiven after 20-25 years
 - More interest accrues

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



Paying loans with the Education Award

Repay
Loans

HOME

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

AmeriCorps Service Date: 08/24/2009
Available Balance: \$322.29
* Payment Type: ?
* Amount Authorized: ?

Institution Information (Search for Institutions) ?

Please select an institution to send this request to by clicking the "Search Institutions" link above.

Certify and Submit ?

- Make payments on Federal loans
- Payment usually within 48 hours
- Cannot be automated

Tax Liability

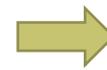
- The Education Award is subject to income tax:
 - *For the amount that was used, in the year it is used*

1 Rents	OMB No. 1545-0115	Miscellaneous Income
\$	2014	
2 Royalties	Form 1099-MISC	Copy 1 For State Tax Department
\$	4 Federal income tax withheld	
3 Other income	\$	
\$	6 Medical and health care payments	
5 Fishing boat proceeds	\$	
\$	\$	
7 Miscellaneous compensation	8 Substitute payments in lieu of	

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

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



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

= Taxable Income

Taxed @

- 4. Federal Tax Rate
- 5. State Tax Rate



Scenario: Right After Service

Factor	2015 Tax Year	2015 Tax Year
1. Annual Income During The Year Of Use	\$10,000	\$10,000
2. Education Award Amount Used	\$500	\$5775
3. Personal Credits and Deductions	-\$8000	-\$8000
<i>Taxable Income</i>	\$2,500	\$7775
<i>Federal Tax Rate</i>	10%	10%

■ Increased taxable income

Scenario: 5 Years After Service

Factor	2019 Tax Year
1. Annual Income During The Year Of Use	\$40,000
2. Education Award Amount Used	\$5775
3. Personal Credits and Deductions	-\$8000
<i>Taxable Income</i>	\$37,775
<i>Federal Tax Rate</i>	15%

■ Increased tax bracket

Estimating Your Tax Liability

- Each year you use it consider:
 - How much will the Education Award increase my taxable income?
 - Will that taxable income increase my tax bracket?
- Activity:
 - Download a 1040 Form and estimate your liability

The image shows the top portion of a 2014 U.S. Individual Income Tax Return form. The header includes 'Form 1040', 'Department of the Treasury—Internal Revenue Service (99)', and '2014'. Below the header, it says 'For the year Jan. 1–Dec. 31, 2014, or other tax year beginning , 2014, ending'. The form has two rows of input fields for names: 'Your first name and initial' and 'Last name' for the primary filer, and 'If a joint return, spouse's first name and initial' and 'Last name' for a spouse.

Free Tax Resources



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



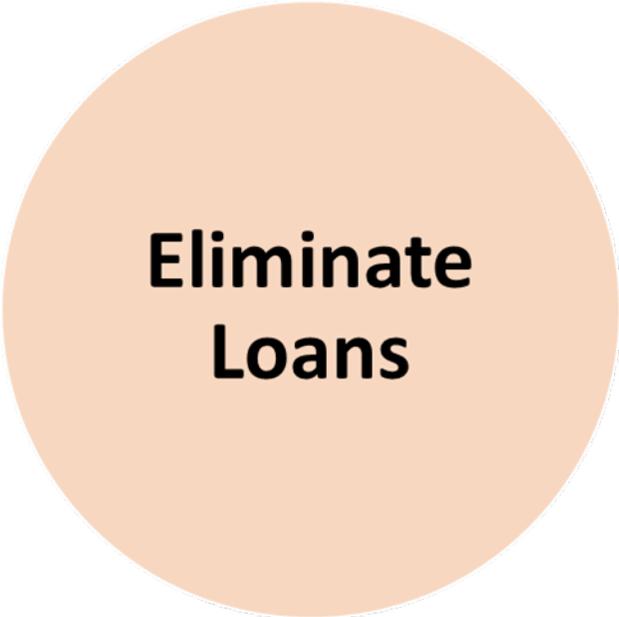
- Online tax prep for incomes <\$60,000



- Best place to ask questions

Chat Question

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



**Eliminate
Loans**

Public Service Loan Forgiveness (PSLF)

Eliminate
Loans



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

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

Public Service Employment Examples



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

Applying for PSLF

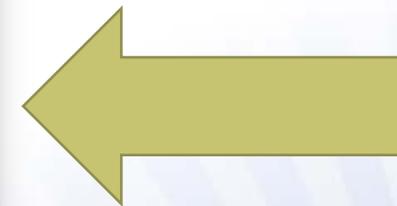
1. Download Employment Certification Form from FedLoan Servicing



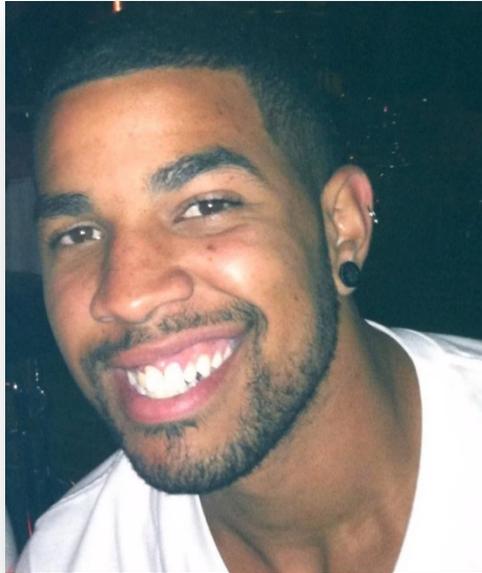
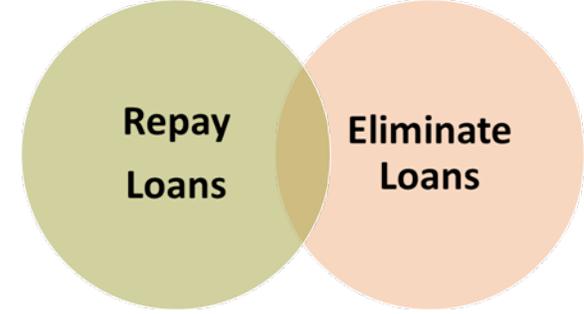
2. Submit annually and when you change jobs

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

3. After 120 payments, submit the PSLF application



IBR + PSLF Example



Calvin Landrum
Training Coordinator
AmeriCorps VISTA
CNCS

- Served 2 terms with AmeriCorps NCCC immediately after college
- \$34,000 in student loan debt between ACS and FedLoan
- Earned \$11,195 in education awards
- Earned about \$2,900 in interest payments
- Earned 13 PSLF credits from service

What I did

During

- Put BOTH loans into forbearance both years



Postpone
Loans

Right After

- Made interest payments at end of both terms
- Used Ed Award to pay off **one** of two loans
- Used IBR on remaining loan
 - \$102/month with a \$30,000/year salary



Repay
Loans

What would I do differently?

Eliminate
Loans

During Service

- Put ACS loan in forbearance
- Put Fedloan in IBR
 - Make small payments out of pocket and earn PSLF credits
 - 24 credits over two years

After Service

- One large Ed Award payment
 - Earn 12 PSLF credits from Ed Award

End Results

Payment Information

<u>Payment ID</u>	<u>Amount</u>	<u>Schedule Date</u>	<u>Request ID</u>	<u>Cancel Date</u>	<u>Institution Name</u>	<u>City/State</u>
1723425	\$10,666.74	10/09/2014	1698874		ACS	Utica, NY
1577391	\$260.00	12/19/2013	1559513		ACS	Utica, NY
1568898	\$268.26	11/26/2013	1548758		FedLoan Servicing	Harrisburg, PA
1728056	\$910.71	10/23/2014	1703716		FedLoan Servicing	Harrisburg, PA
1716497	\$475.70	09/25/2014	1692770		ACS	Utica, NY
1577387	\$587.96	12/19/2013	1559654		ACS	Utica, NY
1569895	\$872.17	12/05/2013	1550864		FedLoan Servicing	Harrisburg, PA
						Total Payments: \$14,041.54

Perkins Loans: >\$37,000



Not eligible for IDR or PSLF



Eligible for 15% loan forgiveness after service

Identify:

Perkins Loan
+
Cash Stipend

Postpone:

Deferment

Eliminate:

15% forgiven
after VISTA

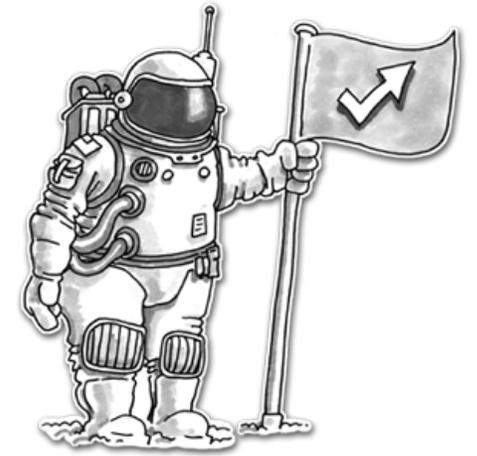
During Service:

- ✓ 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

After Service:

- ✓ Maintain tax records, pay stubs and loan statements.
- ✓ Make IDR payments each month using your education award.
 - 12 credits max from 1 lump sum payment
- ✓ After 120 payments made while working in the public sector, submit your balance to PSLF to be forgiven!

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 nationalservice.gov/resources/edaward

Resources

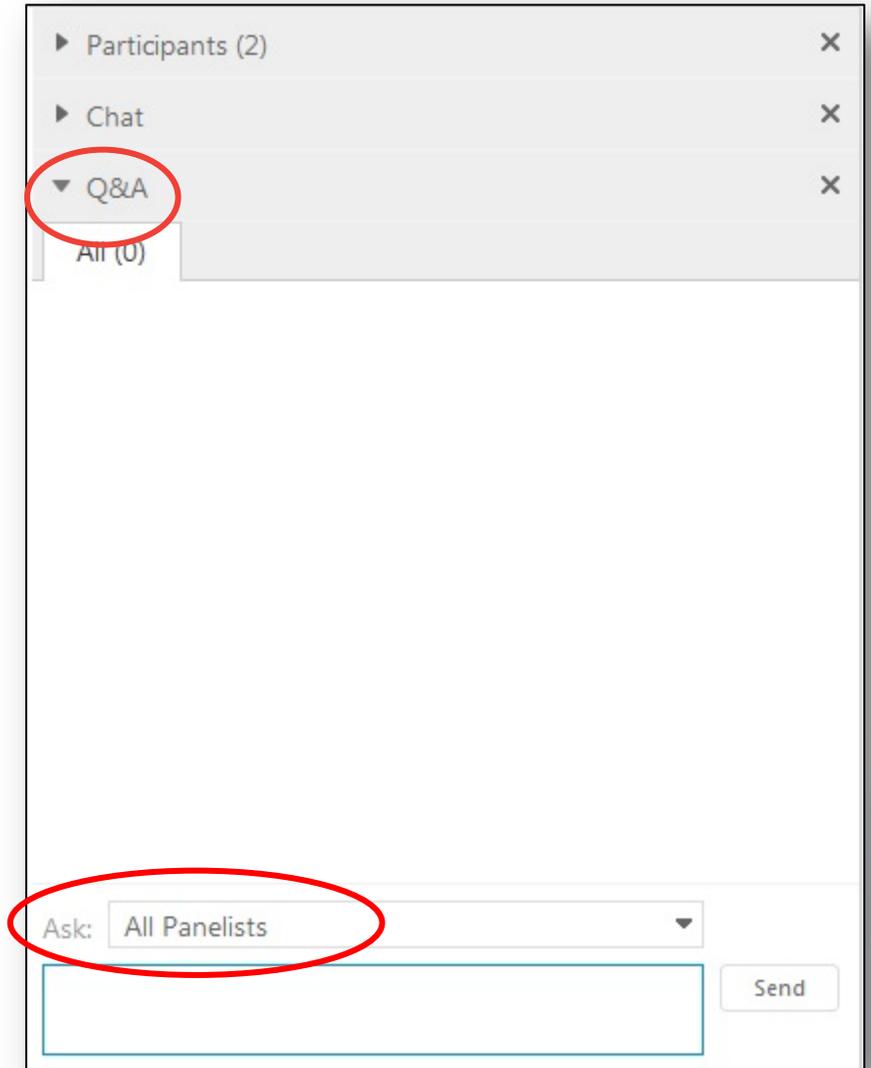
<i>my.americorps.gov</i>	Forbearance, interest & payment requests
<i>studentloans.gov</i>	Income Driven Repayment Plans
<i>myfedloan.org</i>	PSLF
<i>irs.gov</i>	Tax rates and information
<i>EdAward.org</i>	Using the Education Award
<i>VMSU Hotline</i> <i>(1-800-942-2677)</i>	Questions!

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!

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”



Thank You for Your Participation!

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

Our next webinar:

Beyond VISTA: Project Sustainability Approaches and Strategies

April 27

2:00pm Eastern

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