

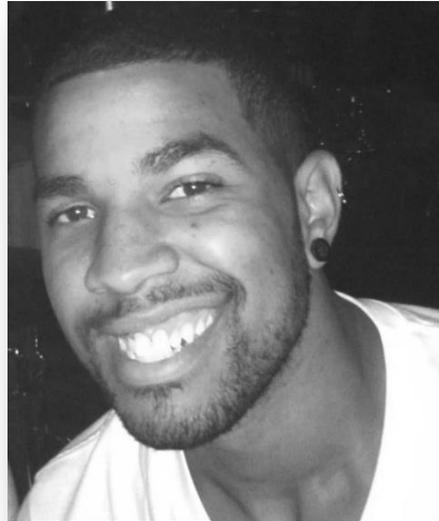


Welcome to

Managing Student Loans



Today's Presenters



Calvin Landrum

Training Coordinator
AmeriCorps VISTA

CNCS

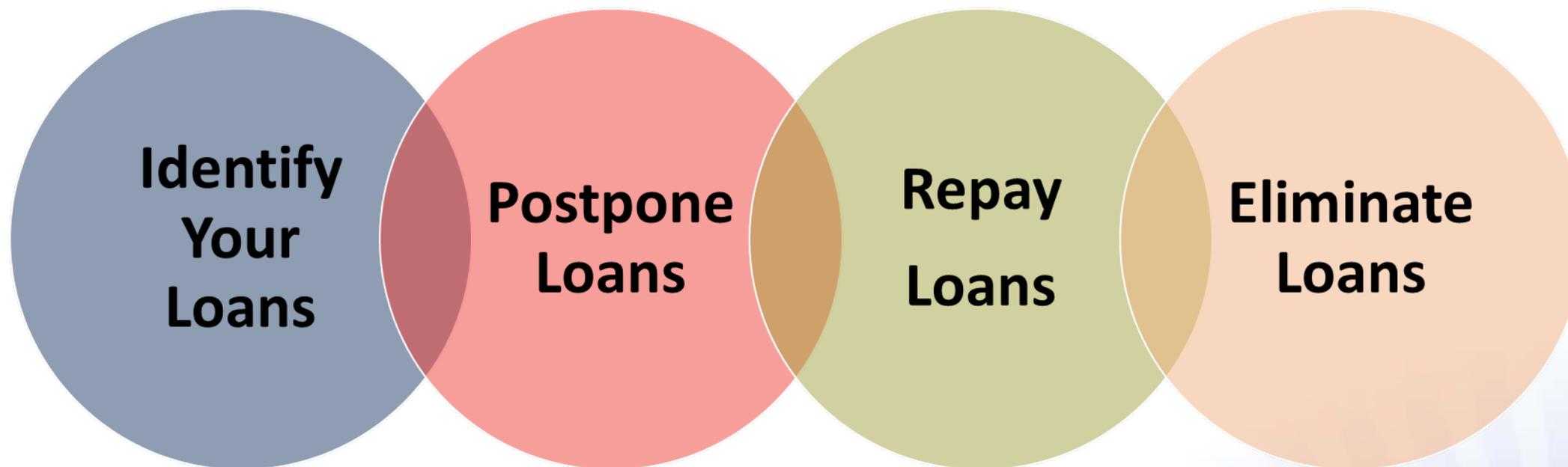


Jennifer Brooks

Member Support
Specialist AmeriCorps
VISTA

CNCS

Today's Agenda



Managing Student Loans Will Depend On...

1. The types of loans you have
2. The End-of-Service benefit you chose
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	Federal Perkins	Private
Lender	<ul style="list-style-type: none">• Subsidized• Unsubsidized• Parent PLUS 		

Delay Your Payments

- Forbearance
- Deferment



**Postpone
Loans**

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

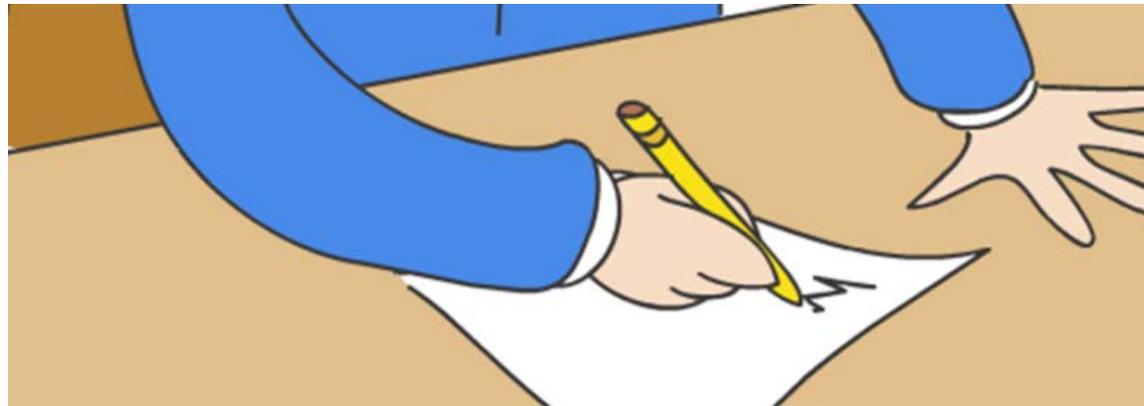
My Requests

<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

Postpone
Loans

	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 payments with an Income Based Repayment Plan
- Pay loans using the Education Award



**Repay
Loans**

Consolidating Student Loans

Repay
Loans

- Benefits: you only have one loan payment
- Limitations: it may take longer to pay off
- Types:
 - Federal Direct Loan Consolidation
 - Private Loan Consolidation



Income Based Repayment (IBR)

Repay
Loans



Federal Direct
Loans



Federal Perkins
Private Loans

- Reduces your monthly payments based on your income
- Your loan balance must represent a significant portion of your income
- For a VISTA, payment could be \$0 during service

Income Based Repayment

Repay
Loans

- Pro's / Con's
 - + Monthly payments are lower
 - + Balance might be forgiven after 20-25 years
 - More interest accrues
- Apply Online
- Check out the Repayment Estimator Tool



Making payments with the Education Award



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 ?

- Only for Federal loan payments
- Cannot be automated

Poll

Identify
Your
Loans

1. Have you done your own taxes before?
2. How much of your Education Award do you have to use to receive a 1099-MISC form?

Tax Liability

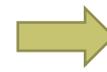
- The Education Award is subject to income tax:
 - *For the amount that was used, in the year it is used*

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 rate

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

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2014**
U.S. Individual Income Tax Return
For the year Jan. 1–Dec. 31, 2014, or other tax year beginning _____, 2014, ending _____

Your first name and initial	Last name
If a joint return, spouse's first name and initial	Last name

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

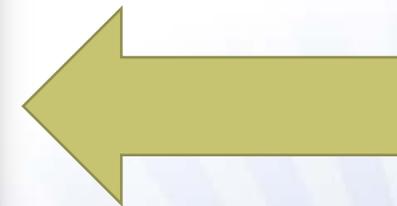
1. Download Employment Certification Form from FedLoan Servicing



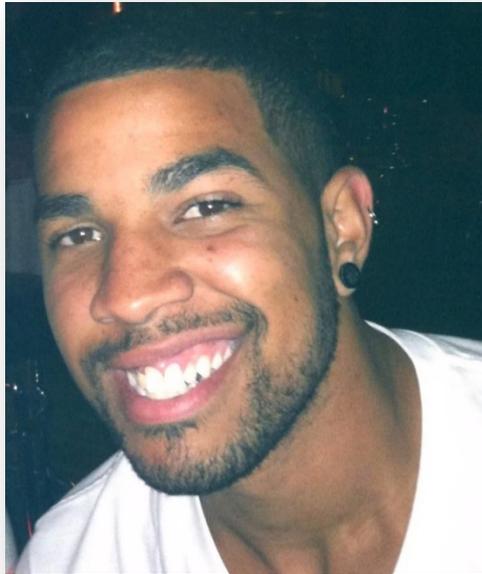
2. Submit annually and when you change jobs

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

Federal Loans: what to do during service?

- Put them in Forbearance
 - No payments required while in service
 - Accrued interest paid by CNCS

OR

- Make Payments using IBR
 - Payments could be \$0
 - Earn extra Public Service Loan Forgiveness payment credits

Perkins Loans



Not eligible for IBR or PSLF



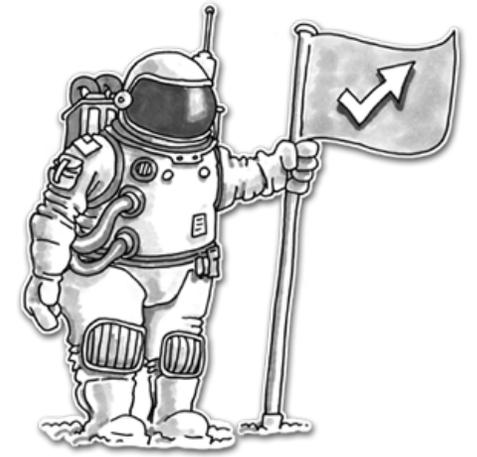
Eligible for 15% loan forgiveness after service if you selected the cash stipend

- Worthwhile if loans are >\$37,000

After Service:

- ✓ Maintain tax records, pay stubs and loan statements.
- ✓ Make payments using the Education Award
 - ✓ Earn up to 12 PSFL credits from a 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 Based Repayment and Public Service Loan Forgiveness.
5. Make sure your lender is listed on nationalservice.gov/resources/edaward

Resources

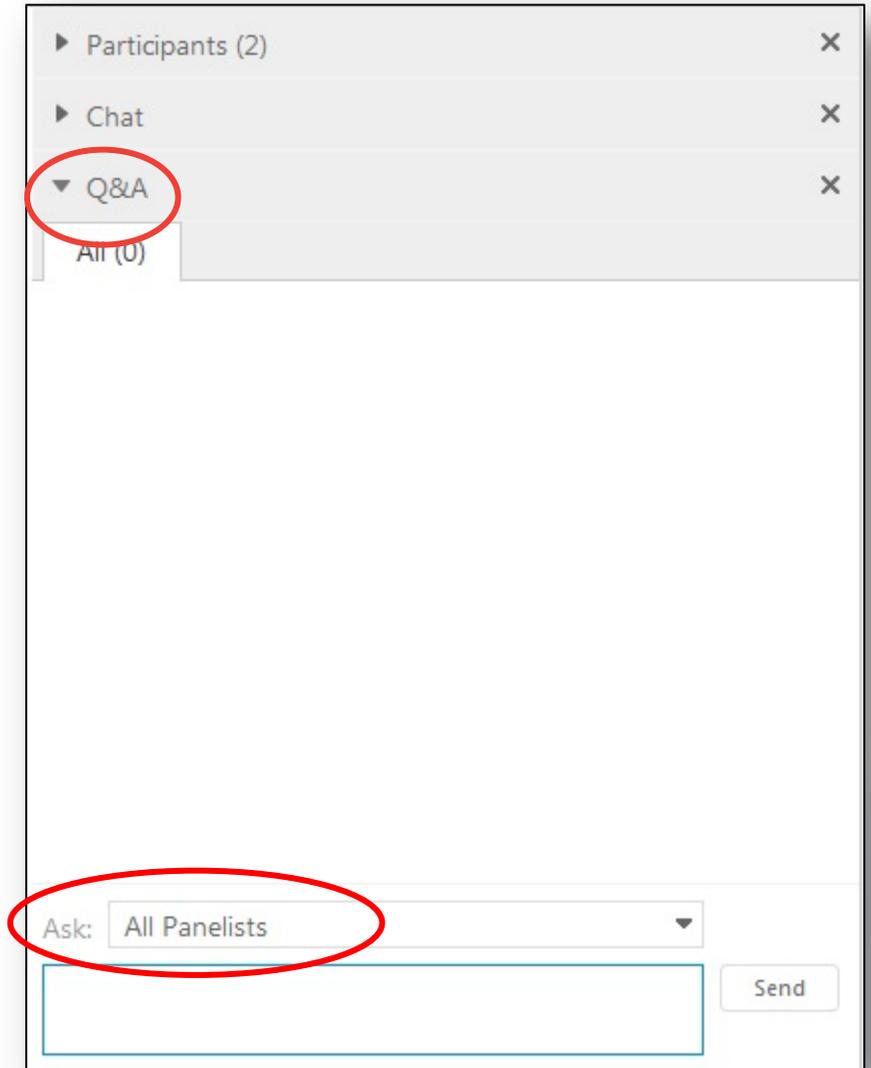
<i>my.americorps.gov</i>	Forbearance, interest & payment requests
<i>studentloans.gov</i>	Income Based Repayment Plans
<i>myfedloan.org</i>	PSLF
<i>irs.gov</i>	Tax rates and information
<i>EdAward.org</i>	Using the Education Award
<i>VMSU Hotline</i> <i>(1-800-942-2677)</i>	Questions!

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:
Social Media Strategies for Advancing Your Project

September 21, 2016
2:00pm Eastern

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