



*Welcome to*

# Managing Student Loans

To join the audio portion by phone, please dial: **888.469.1672**

Passcode: **3870403**

**While you wait, please share in the chat box:  
*How far along you are in your service term?***

Corporation for  
**NATIONAL &  
COMMUNITY  
SERVICE** 

 **VISTA**  
Volunteers In Service To America

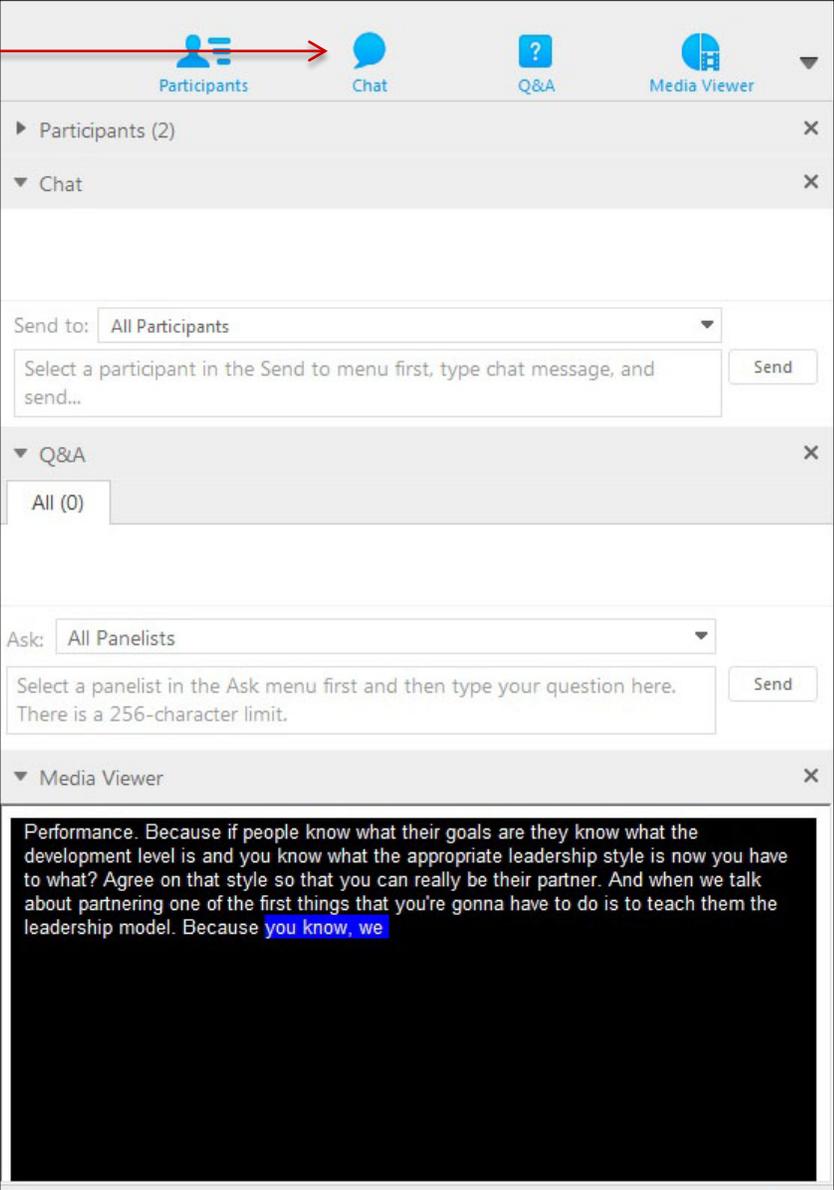
**Dial:** **888.469.1672**

**Passcode:** **3870403**

# 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.*



The screenshot displays a meeting interface with a top navigation bar containing icons for Participants, Chat, Q&A, and Media Viewer. Below this, there are expandable panels for Participants (2), Chat, Q&A, and Media Viewer. The Chat panel is active, showing a 'Send to' dropdown set to 'All Participants' and a text input field with a 'Send' button. The Q&A panel is also visible, showing an 'Ask' dropdown set to 'All Panelists' and a text input field with a 'Send' button. The Media Viewer panel is at the bottom, displaying a video feed with closed captions. A red arrow points from the text above to the Chat icon in the navigation bar.



Welcome to

# Managing Student Loans



# Today's Team



**Molly Pelzer**

Training Specialist  
AmeriCorps VISTA



**Jessica Knight**

Education Northwest



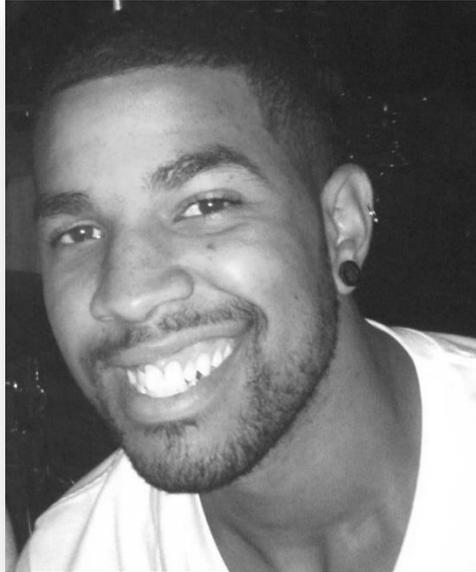
**Endi Clark**

Education Northwest

# Today's Presenters



ShaVonne Walker  
VISTA Member Support  
Specialist  
CNCS

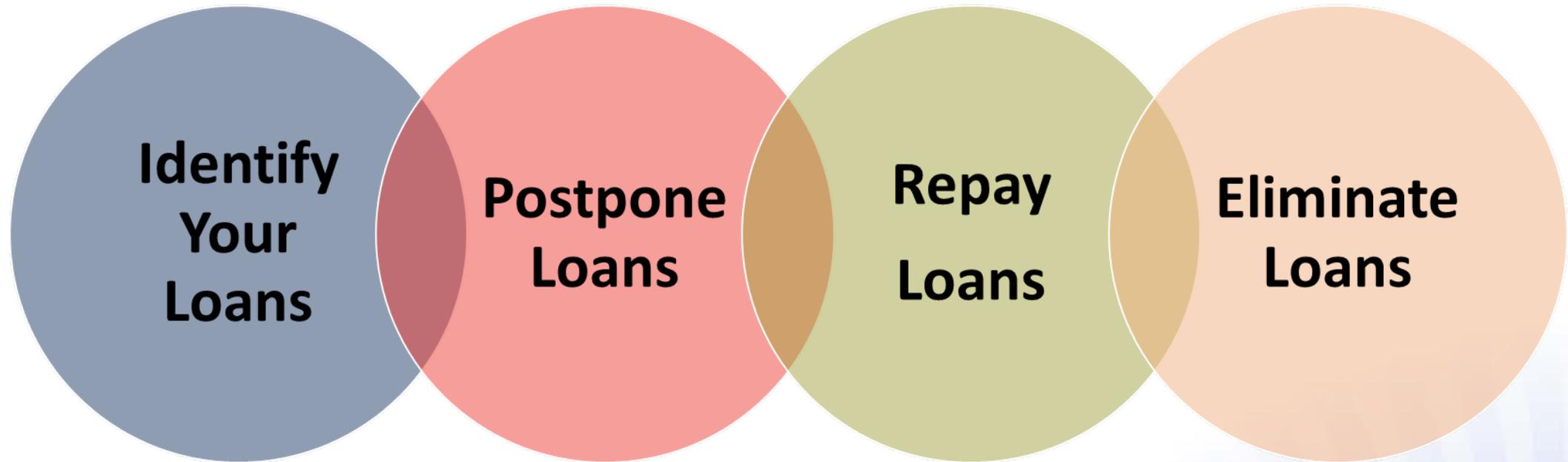


Calvin Landrum  
VISTA Member Support  
Specialist  
CNCS



Taryn Vanaskie  
Program Officer,  
Pennsylvania State Office

# 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

Do you know what kind of student loans you have?

Identify  
Your  
Loans

# Types of Student Loans

Identify  
Your  
Loans

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

# Poll Question



**Postpone  
Loans**

Are your loans in forbearance  
or deferment yet?

# National Service Forbearance



Federal Direct Loans

- Benefit available for those with the Education Award



Federal Direct- PLUS  
Federal Perkins  
Private Loans

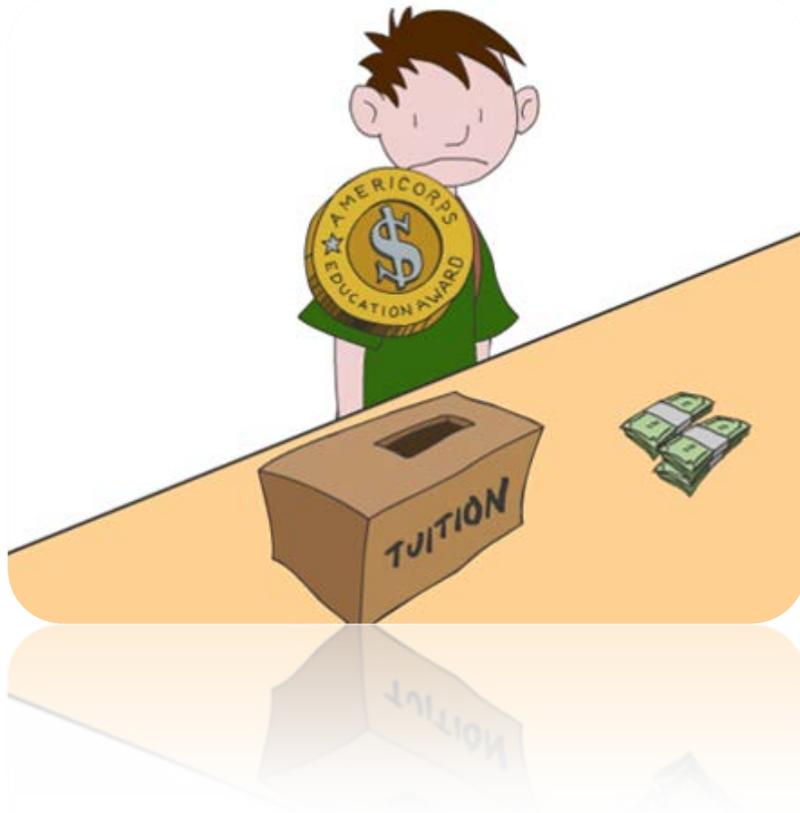
- Temporarily postpone most *Federal* Loan payments during service
- Managed through the National Trust

# 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.](#)



### My Requests

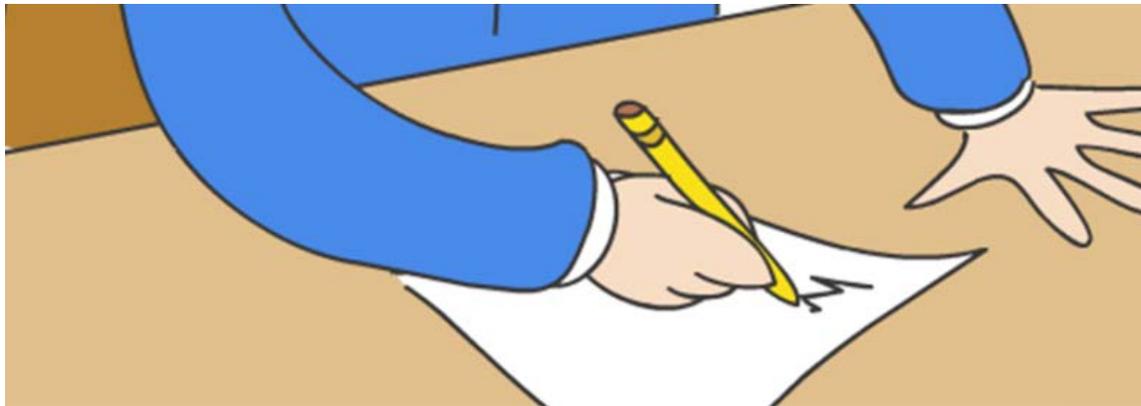
<u>Request</u>	<u>Status</u> ?
Forbearance	Accepted by Institution

- Interest accrual payments are considered taxable income
- 3-5 days to process

# 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: 3<sup>rd</sup> 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 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

# 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



# Using 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 ?**

- Payment usually within 48 hours

# Tax Liability

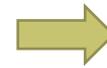
- The Education Award is subject to income tax:
  - *For the amount that was used, in the year it is used*

1 Rents	OMB No. 1545-0115	<b>Miscellaneous Income</b>
\$	<b>2014</b>	
2 Royalties	Form 1099-MISC	<b>Copy 1 For State Tax Department</b>
\$	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](http://my.americorps.gov) by Jan 31<sup>st</sup> 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?

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= Taxable Income

Taxed @

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



# 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

# 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

# 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

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, there are fields for 'Your first name and initial' and 'Last name', and a section for 'If a joint return, spouse's first name and initial' and 'Last name'. The form is partially obscured by a blue and white striped graphic on the right side.

# Free Tax Resources



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



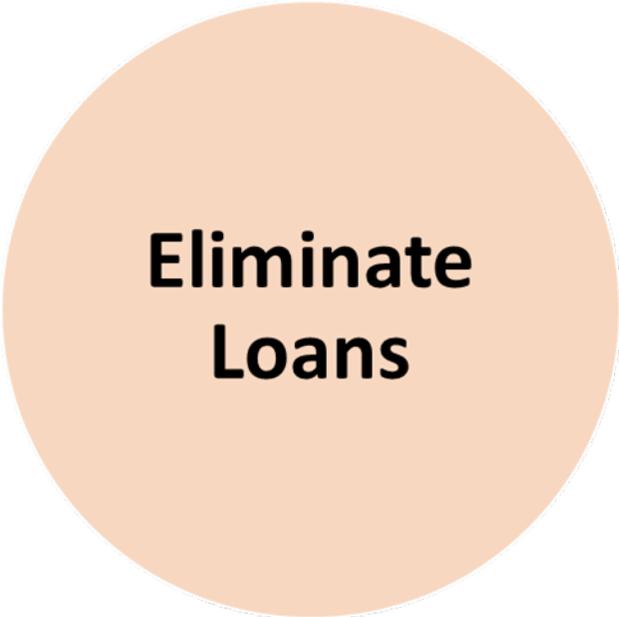
- Online tax prep for incomes <\$60,000



- 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

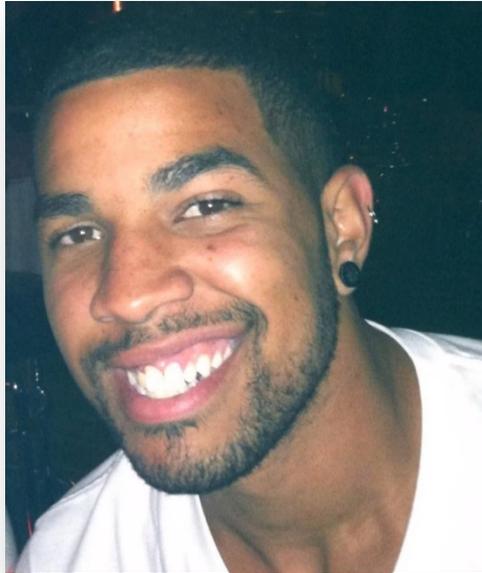
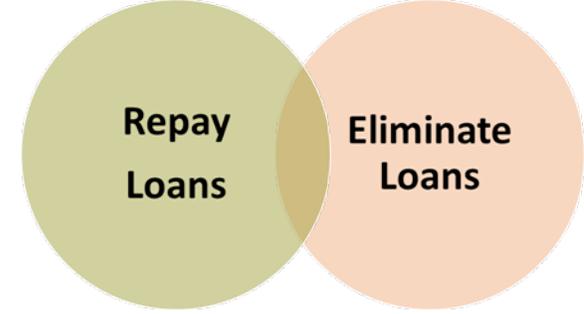
3. After 120 payments, submit the PSLF application

VISTA Service counts!

Submit form to the VMSU for certification: fax #703-206-7277.



# 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

# 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

# Making The Most of Your Benefits



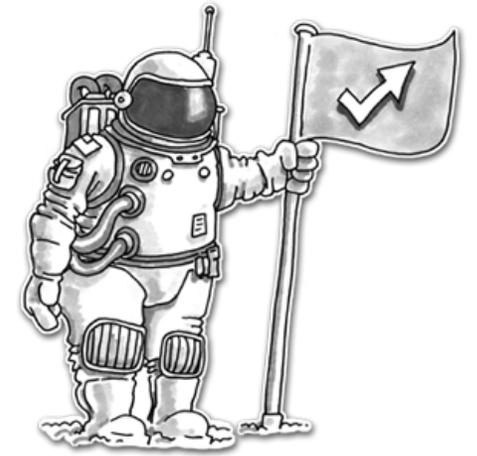
# During Service:

- ✓ 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 3<sup>rd</sup> VISTA term

# 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!

# 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](http://my.americorps.gov)

# Resources

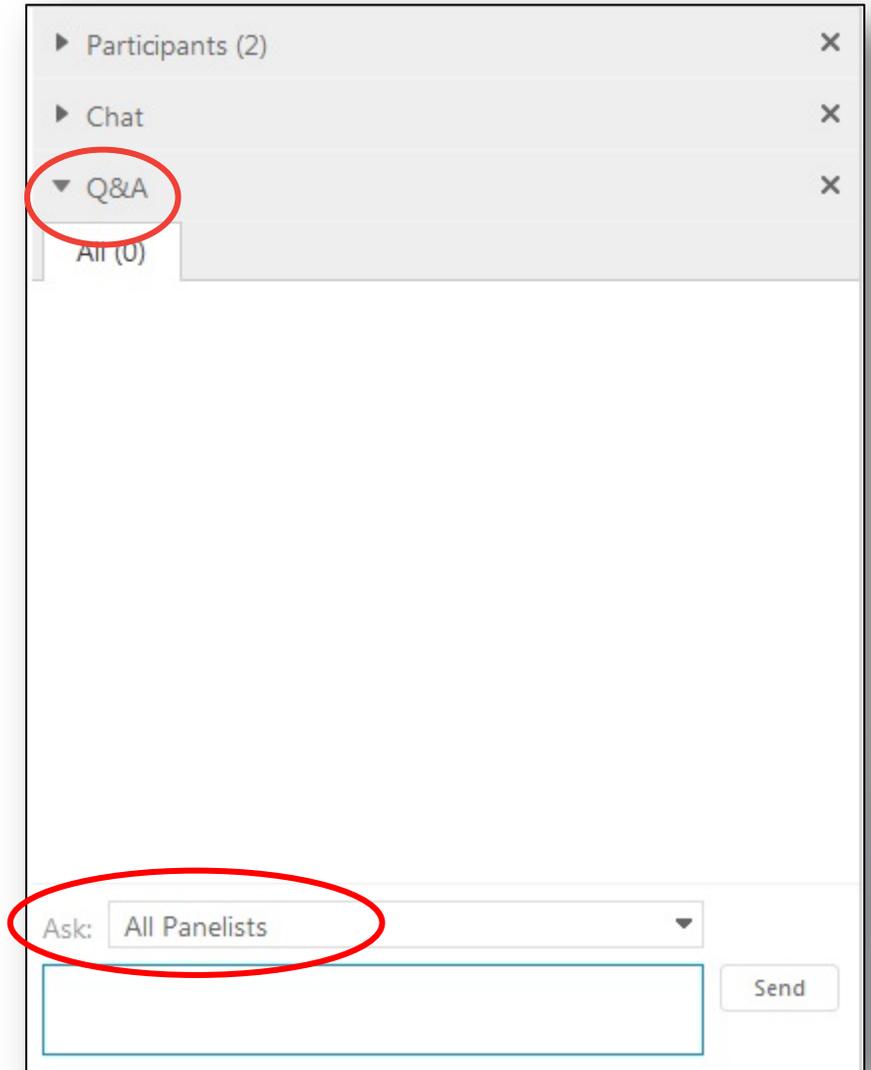
<i>my.americorps.gov</i>	Forbearance, interest & payment requests
<i>studentloans.gov</i>	Income Driven Repayment Plans
<i>myfedloan.org</i>	PSLF
<i>irs.gov</i>	Tax rates and information
<i>EdAward.org</i>	Using the Education Award
<i>VMSU Hotline</i> <i>(1-800-942-2677)</i>	Questions!

# 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](mailto: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*