

COUNCIL ON SOCIAL WORK EDUCATION

Global Social Work — The World is Here

59TH ANNUAL PROGRAM MEETING • OCT. 31–NOV. 3, 2013

DALLAS, TEXAS

Overview of Federal Student Aid Resources: Landscape and Technical Assistance

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Outline

- Part 1: About CSWE Government Relations & the Public Policy Initiative
- Part 2: Overview of CSWE Advocacy Activities
- Part 3: Technical Assistance and Q&A
 - Federal Loan Programs
 - Public Service Loan Forgiveness
 - Income Based Repayment
 - Pay as You Earn
 - Income Contingent Repayment





PUBLIC POLICY

COUNCIL ON SOCIAL WORK EDUCATION

- Began in 2008 to develop and implement a strategic and coordinated public policy agenda for social work education and serving the needs of vulnerable populations.
- Four basic principles:
 - Debt Load and Loan Forgiveness
 - Higher Education and Accreditation Policy
 - Fostering a Skilled and Diverse Workforce
 - Ally Building
- Audiences:
 - United States Congress
 - Federal agencies
 - Likeminded organizations
 - General public



Snapshot of CSWE Advocacy and Outreach

- Attend Advisory Committee on Student Financial Assistance meetings
- Engage with Members of Congress, Congressional staff, and the public on Student Loan Interest Rates
- Work through formal advocacy mechanisms
 - Annual funding bills
 - Higher Education Act reauthorization



Social Workers in Congress

- Social Workers in Congress:
 - Sen. Mikulski (D-MD)
 - Sen. Stabenow (D-MI)
 - Rep. Davis (D-CA)
 - Rep. Gutierrez (D-IL)
 - Rep. Tsongas (D-MA)
 - Rep. Lee (D-CA)
 - Rep. Schwartz (D-PA)
 - Rep. Shea-Porter (D-NH)
 - Rep. Sinema (D-AZ)
- Congressional Social Work Caucus
 - Purpose: Elevate social work on Capitol Hill, provide information to Members of Congress about social work, and support legislation that would yield positive outcomes for the profession.



Obama Student Affordability Plan

- 2013 State of the Union
- August speech at SUNY Buffalo
- Goals
 - Paying for performance
 - Promoting innovation and competition
 - Ensuring that student debt remains affordable
- Legislative vs. regulatory proposals
- Timeline



Direct Loans

Subsidized

- No interest in school
- Fixed interest
- 3.86%
- Repay later

Unsubsidized

- Interest accrues in school
- Fixed interest
- 3.86%
- Repay later



Perkins Loans

- School is the lender
- Interest is 5%
- Funding is limited and not all schools participate
- Funding is variable
- Need based



Public Service Loan Forgiveness

- The Deal:
 - Certain Public Service Positions can have loans forgiven after
 - 120 on-time, scheduled, monthly payments after Oct. 1, 2007
 - Which are with a qualifying public service organization (See Handout)
 - And while in a qualifying repayment plan (IBR, ICR, PAYE)
 - How? There is the form!



Income Based Repayment

- You must sign up for this benefit (online and taxes completed)
- Repayment is = $AGI - 150\% \text{ of poverty} / 12 \times .15$
- After 25 years, loans are forgiven
- Taxes must be paid on any forgiven amounts. Still a good deal, though.
- Renew each year



Pay as You Earn

- Pay over 20 years
- 10% of discretionary income
 - Income minus poverty
- Some useful interest calculations
- Public Service Forgiveness eligible
- Likely taxed if forgiven



Income Contingent Repayment

- 25 year repayment
- 20% of discretionary
- Or what a 12 year repayment would be and multiplied by an income % factor (very few would fall under this)



Use the Tools

Your Loan Balance **\$30,426**

Interest Rate **5.2 %**

[More Information](#)

View your loan information or add loans: Your Loan(s)

Is your tax filing status either married filing jointly or head of household?

No
 Yes

Adjusted Gross Income (taxable) 24000

Family Size 1














State of Residence TX

Initial Monthly Payment

Repayment Method	Initial Monthly Payment (Dollars)
Standard	~320
Graduated	~180
Pay As You Earn	~50
Income-Based Repayment (IBR)	~80
Income-Contingent Repayment (ICR)	~100


















[Initial Monthly Payment](#) | [Final Monthly Payment](#) |
[Total Interest Paid](#) | [Total Amount Paid](#) |

Use the Tools

Repayment Plan	Repayment Period	Monthly Payment Initial to Final Amounts			<u>Projected Loan Forgiveness</u> 	<u>Total Interest Paid</u> 	Total Amount Paid
Standard 	120 months	\$325	to \$325		-	\$8,616	\$39,042
Graduated 	120 months	\$184	to \$553		-	\$10,852	\$41,278
Pay As You Earn* 	218 months	\$56	to \$177		\$0	\$7,743	\$25,743
Income-Based Repayment (IBR)* 	279 months	\$85	to \$325		\$0	\$28,961	\$59,387
Income-Contingent Repayment (ICR)* 	192 months	\$103	to \$149		\$0	\$5,782	\$23,782



Use the Tools \$70,000

Repayment Plan	Repayment Period	Monthly Payment Initial to Final Amounts			Projected <u>Loan</u> <u>Forgiveness</u> 	Total <u>Interest</u> <u>Paid</u> 	Total Amount Paid
Standard 	120 months	\$719	to \$719		-	\$15,812	\$86,238
Graduated 	120 months	\$403	to \$1,209		-	\$19,762	\$90,188
Extended Fixed 	300 months	\$378	to \$378		-	\$43,058	\$113,484
Extended Graduated 	300 months	\$245	to \$665		-	\$53,683	\$124,109
Pay As You Earn* 	240 months	\$56	to \$239		\$65,832	\$31,608	\$31,608
Income-Based Repayment (IBR)* 	300 months	\$85	to \$498		\$69,787	\$73,120	\$73,759
Income-Contingent Repayment (ICR)* 	229 months	\$208	to \$487		\$0	\$24,933	\$82,933

Use the Tools

Repayment Estimator

Loan Information

Your Loan Balance **\$ 12,426**

Interest Rate **7.8 %**

[More Information](#)

View your loan information or add loans: Your Loan(s)

Is your tax filing status either married filing jointly or head of household?

No

Yes

Adjusted Gross Income (taxable) 100000

Family Size 3

State of Residence TX

Add your spouse's student loans: Spouse's Loan(s)

[More Information](#)

Initial Monthly Payment

Repayment Plan	Initial Monthly Payment (\$)
Standard	150
Graduated	85
Pay As You Earn	0
Income-Based Repayment (IBR)	0
Income-Contingent Repayment (ICR)	165

[Initial Monthly Payment](#) | [Final Monthly Payment](#) |
[Total Interest Paid](#) | [Total Amount Paid](#)

Studentloans.gov



START HERE
GO FURTHER
FEDERAL STUDENT AID

StudentLoans.gov

English | Español

My Account

Learn More

Tools and Resources

Managing Repayment

FAQs

Contact Us

Manage My Direct Loan

Sign In

Use your PIN to sign in
[Why am I signing in?](#)

- **Complete Counseling**
(Entrance, Financial Awareness, and Exit)
- **Sign Master Promissory Note**
- **Complete PLUS Request Process**
- **Endorse Direct PLUS Loan**
- **IBR/Pay As You Earn/ICR Repayment Plan Request**

Visit the PIN site if you are a new user or have forgotten your PIN.



Learn More

- » **Information on Potential Government Shutdown**
- » **Find Information about Student Aid Programs**
- » **Interest Rate for New Direct Subsidized Loans**
- » **Impact of Sequestration on Federal Student Aid Programs**
- » **Direct Loan Overview**

Tools and Resources

- » **Apply for PIN**
- » **FAFSA**
- » **Counseling Demo**
- » **Direct Loan Consolidation**
- » **My Financial Aid History**
- » **TEACH Grant**
 - » Initial and Subsequent Counseling
 - » Agreement To Serve (ATS)
 - » Exit Counseling

Managing Repayment

- » **Repaying Your Loans**
- » **Repayment Plans & Calculators**
- » **Trouble Making Payments?**
- » **Loan Discharge**
- » **Public Service Loan Forgiveness**
- » **Teacher Loan Forgiveness**
- » **Loan Servicers**

Default

- 270 days without payment
- Reported to credit bureaus
- May garner wages and tax refunds
- May pursue law suits: liens, assets
- May not be eligible for Federal, State, or local contracts
- 7 years on credit report



Questions?

