

Repaying Your Student Loans

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Some Numbers to Start With

- The UNM School of Law Class of 2014 graduated with an average law school student loan debt of **\$71,029**.
- 2014-2015 Fixed Interest Rate for Direct Unsubsidized Loans is 6.21%.
- Average Salary for 2014 UNM Law grad directly out of law school in Bar Passage Required job is **\$56,173**.



Loan Repayment Plans

- Standard Repayment
- Graduated Repayment
- Extended Fixed Repayment
- Extended Graduated Repayment
- Income Contingent Repayment
- Income-Based Repayment (IBR)
- Pay As You Earn (PAYE)
- Income Sensitive Repayment



Which Repayment Plan is Best for You?



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Selecting A Repayment Plan

- You will automatically go into a Standard Repayment Plan upon graduation. You must apply with your lender to qualify for one of the different repayment plans.
- For loan repayment calculators and estimates of your monthly and total repayments, visit:
 - www.studentloans.gov
 - www.accessgroup.org/calculator
- Only your loan servicer/ lender can provide you with actual amounts you will owe each month.





Access Loan Manager for a Graduate Student

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Tell us about **your current loans**. You can manually enter each loan or upload one file from the NSLDS database.

My current in-school loans account for

3 years of my 3 year degree

Upload Loan Information from NSLDS

Upload NSLDS File

My Loan

Loan Type	Balance	Interest Rate	
Direct Unsubsidized	\$71,029	6.21%	REMOVE

Or, Enter Loan Information Below



- Degree Information
- Loan Information
Did You Know...
You should include any undergraduate federal loans for a more accurate outlook
- Repayment Outlook

accessassist

Access Assist can help answer questions about financing your education and preparing for loan repayment – this free, personal and confidential service is now available.



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Access Loan Manager for a **Graduate Student**

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Your Borrowing Outlook

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Law Program at University Of New Mexico

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Repayment Outlook: Understand the cost of borrowing

This table of repayment plans gives you an idea of what your monthly payment may be under each available repayment plan for which you may be eligible. It also shows the total interest paid over the course of repayment.

Repayment Plan	Repayment Period	Monthly Payment <small>Initial to Final Amounts</small>	Total Interest Paid	Total Amount Paid	
Standard	120 Months	\$796	\$24,500	\$95,529	EXPAND
Extended Fixed	300 Months	\$467	\$69,012	\$140,041	EXPAND
PAYE	240 Months	\$238 - \$702	\$78,819	\$104,076	EXPAND
Income-Based	217 Months	\$358 - \$796	\$57,691	\$128,860	EXPAND

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PAYE ⓘ

240 Months

\$321 - \$796

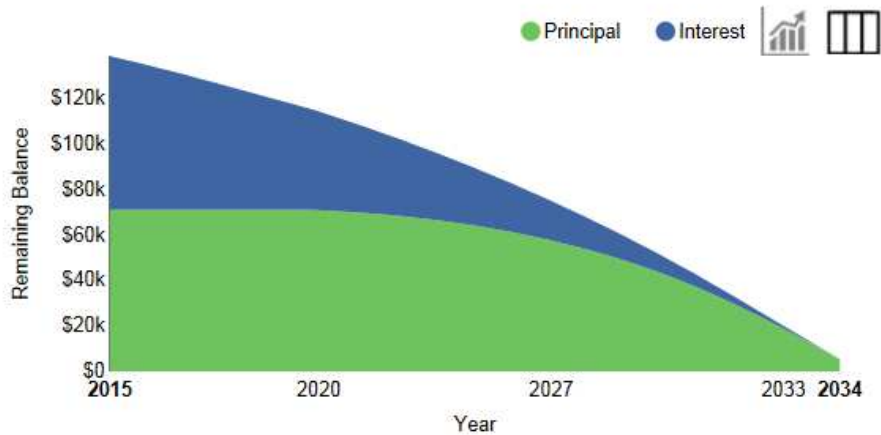
\$67,836

\$134,388

COLLAPSE -

Pay As You Earn Repayment Plan

This plan has low monthly payments based on your household income and household size. Your monthly payment will change if your income changes, and you're required to provide annual verification of your income and household size. The maximum repayment term is 20 years. Remember, the longer your loans are in repayment, the more you pay in total interest over the life of the loan.



Amount Borrowed

\$71,029 Total ⓘ

6.21% Interest Rate ⓘ

Adjust your inputs

Household Income

Persons in Family

UPDATE DATA

Repayment Estimates

Monthly Payment

\$321 - \$796

Total Interest Paid

\$67,836

Total Amount Paid

\$134,388

Forgiveness

\$5,422

The calculations above are for illustrative purposes only. Your monthly payments could differ based on your loan amount and interest rate. Check with your lender for the interest rate on your student loans. Your actual monthly payment amount will be determined by your loan servicer and will depend on factors such as disbursement date and number of disbursements, the specific interest rate of each individual loan, and your actual loan balances. For projected future loan amounts, the repayment schedule was calculated using a 5.5% interest rate.

Income-Based ⓘ

164 Months

\$481 - \$796

\$38,855

\$110,228

EXPAND +



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When Does Repayment Start?

- **6 Months after Graduation for Federal Direct and PLUS loans**
- **9 Months after Graduation for Perkins Loans**



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Federal Public Service Loan Forgiveness Program

The Public Service Loan Forgiveness Program allows eligible borrowers to cancel the remaining balance of their Direct loans after serving full-time at a public service organization for at least 10 years while making 120 qualifying monthly payments after October 1, 2007.



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Public Service Loan Forgiveness

- Have Eligible Loan Types
- Make 120 Qualifying Payments
- Make Payments Under an Eligible Payment Plan
- Maintain a Full-Time Employment Status
 - Does not include staff of for-profit contractors working for public service organizations
- Work for a Qualifying Public Service Organization



What Types of Loans are Eligible

- Federal Direct Stafford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct/Grad PLUS Loans) for parents and graduate or professional students
- Federal Direct Consolidation Loans (Direct Consolidation Loans)
- Special Direct Consolidation Loans
- TEACH Loans



120 Qualifying Payments

- Must have been made after October 1, 2007
- Must be on-time (no later than 15 days after the scheduled due date)
- Must be made each month, satisfying in full the installment amount due for that month
- Must be made when the loan is not in a default status



What is an Eligible Payment?

- Standard Repayment Plan with a 10-year repayment period
- Pay As You Earn Plan
 - Not available on parent Direct PLUS Loans or Direct Consolidation Loans that paid a parent PLUS Loan
- Income-Based Repayment (IBR) Plan
 - Not available on parent Direct PLUS Loans or Direct Consolidation Loans that paid a parent PLUS Loan
- Income-Contingent Repayment (ICR) Plan
 - Not available on parent Direct PLUS Loans or Direct PLUS Consolidation Loans
- Any other Direct Loan Program repayment plan with payments that are at least equal to the monthly payment amount that would have been required under the Standard Repayment Plan with a 10-year repayment period



Maintain Full-time Employment

Working in one or more jobs for the greater of:

- An annual average of at least 30 hours per week (or for a contractual or employment period of at least 8 months, an average of 30 hours per week); or
- The number of hours the employer considers full-time, unless your employment is with two or more employers

NOTE: For purposes of the full-time requirement with a Section 501(c)(3) non-profit or other private non-profit public service organization, your qualifying employment does not include time spent on job duties that are related to religious instruction, worship services, or any form of proselytizing.



Work for a Qualifying Public Service Organization

- A Federal, State, local, or Tribal government organization, agency, or entity (includes most public schools, colleges and universities);
- A public child or family service agency;
- A non-profit organization under section 501(c)(3) of the Internal Revenue Code that is exempt from taxation under section 501(a) of the Internal Revenue Code (includes most not-for-profit private schools, colleges, and universities);
- A Tribal college or university; or



Work for a Qualifying Public Service Organization continued

- A private non-profit organization (that is not a labor union or a partisan political organization) that provides at least one of the following public services:
 - Emergency management
 - Military service
 - Public safety
 - Law enforcement
 - Public interest law services (i.e. Public Defenders, District Attorney's Office, Legal Aid, etc.)
 - Early childhood education
 - Public service for individuals with disabilities and the elderly
 - Public health
 - Public education
 - Public library services
 - School library services
 - Other school-based services



Apply for Loan Forgiveness

Eligibility for forgiveness of an outstanding balance on an eligible Direct Loan occurs if the borrower:

- Is not in default
- Makes 120 separate, full monthly payments (after 10/1/07)
- Makes payments under one or more PSLF-specified repayment plans
- Is a full-time employee of a public service organization while making required payments and at the time forgiveness is requested and granted
- You **MUST** apply for forgiveness



Applying for Loan Forgiveness

- Each year you and your employer will need to verify your employment in order to qualify for PSLF
- Verification can be done retroactively
- The Employment Certification Form can be found online:

<https://studentaid.ed.gov/sa/sites/default/files/public-service-employment-certification-form.pdf>



Is Forgiveness a Taxable Event?

Loan Forgiveness can be a taxable event depending on the program you are using to repay your student loans.

- According to the IRS, student loan amounts forgiven under the Federal Public Service Loan Forgiveness Program (PSLF) are not considered income for tax purposes.
- Loan forgiveness with other repayment programs like Pay As You Earn (PAYE) and Income-Based Repayment (IBR) are considered income for tax purposes with the IRS.



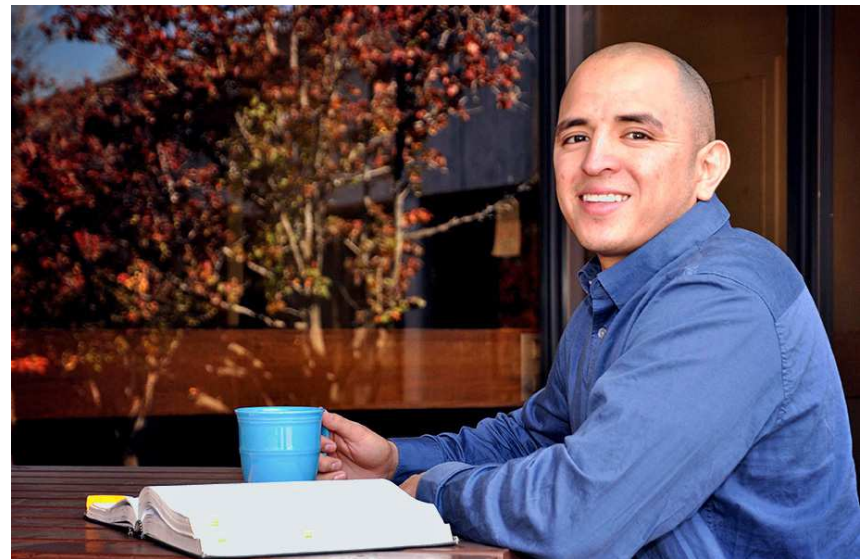
Federal Public Service Loan Forgiveness Resources

- www.studentaid.ed.gov/sa/repay-loans
- www.myfedloan.org/PSLF



Loan Repayment Assistance in New Mexico

- NM Public Service Law Loan Repayment Program
- NM John R. Justice Program



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New Mexico Public Service Loan Repayment Program

- The purpose of the New Mexico Public Service Law Loan Repayment Assistance Program (LRAP) is to provide legal educational loan repayment assistance to individuals providing public service in state or local government or the non-profit sector in New Mexico to low income or underserved residents
- Program is run by the NM Higher Education Department



New Mexico Public Service Loan Repayment Program

- Annual Salary may not exceed **\$55,000**
- Licensed to practice in NM as an attorney
- Must declare intent to practice in public service employment in NM
- Service-based program requiring three year commitment to work in Public Service Law
- Full-time employment required
- Maximum award of **\$7,200** per year for three years



New Mexico Public Service Loan Repayment Program

- Applications are available between **October 15th** and **December 1st** each year
- New applicants and current awardees must apply each year
- Eligible Employers
 - 501(c)3 Organizations providing care & maintenance for indigent persons in NM through civil legal services
 - NM Public Defender's Department
 - NM District Attorney's Office
- Payments are made quarterly
- http://www.hed.state.nm.us/students/publicservice_lrap.aspx



New Mexico John R. Justice Loan Repayment Program

- The New Mexico John R Justice Program provides educational loan repayment benefits to prosecutors and public defenders in New Mexico using funding from the John R. Justice (JRJ) Program
- Each beneficiary will receive up to **\$8,300**, but not exceeding more than **\$60,000** in total lifetime benefits provided by John R. Justice Program funds
- Program is run by the NM Higher Education Department
- Applications available **April 1, 2016 – May 2, 2016**
- http://www.hed.state.nm.us/students/jrj_lrap.aspx.



John R. Justice Loan Repayment

Who is Eligible

Full-time Employees who are licensed to practice law in one of the following categories:

- Prosecutors – Employee of a state or unit of local government (including tribal government) who prosecutes criminal or juvenile delinquency cases at the state or unit of local government level.
- Public Defender –
 - Employee of a state or unit of local government (including tribal government) who provides legal representation to indigent persons in criminal or juvenile delinquency cases including supervision, education, or training of other persons providing such representation
 - Employee of a nonprofit organization operating under a contract with a state or unit of local government who devotes substantially all of the employee's full-time employment to providing legal representation to indigent persons in criminal or juvenile delinquency cases
 - Federal Public Defenders



John R. Justice Loan Repayment

Who is Ineligible

- Prosecutors who are employees of the federal govt.
- Attorneys in private practice and not a full-time employee of a non-profit organization, even if individually or part of the firm is under contract with a state or court-appointment to provide public defense services
- Elected officials



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Questions?

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