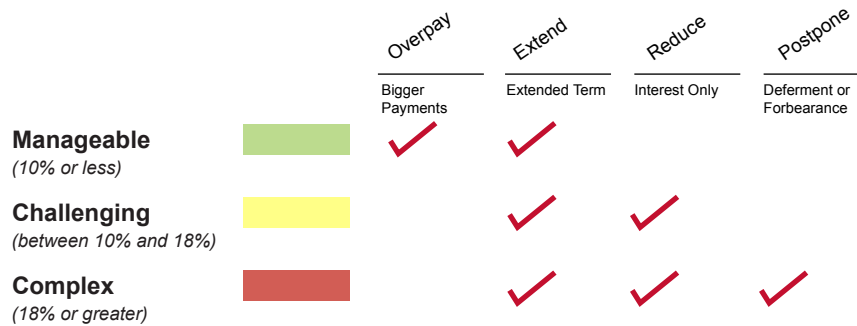


STRATEGIES TOWARD MANAGEABLE STUDENT LOAN REPAYMENT

Educational Payment as a Percent of Gross Monthly Income

		Estimated Total Monthly Student Loan Payment											
		\$200	\$400	\$600	\$800	\$1,000	\$1,200	\$1,400	\$1,600	\$1,800	\$2,000	\$2,200	\$2,400
Annual Gross Income	\$30,000	8.00%	16.00%	24.00%	32.00%	40.00%	48.00%	56.00%	64.00%	72.00%	80.00%	88.00%	96.00%
	\$40,000	6.00%	12.00%	18.00%	24.00%	30.00%	36.00%	42.00%	48.00%	54.00%	60.00%	66.00%	72.00%
	\$50,000	4.80%	9.60%	14.40%	19.20%	24.00%	28.80%	33.60%	38.40%	43.20%	48.00%	52.80%	57.60%
	\$100,000	2.40%	4.80%	7.20%	9.60%	12.00%	14.40%	16.80%	19.20%	21.60%	24.00%	26.40%	28.80%
	\$125,000	1.92%	3.84%	5.76%	7.68%	9.60%	11.52%	13.44%	15.36%	17.28%	19.20%	21.12%	23.04%
	\$150,000	1.60%	3.20%	4.80%	6.40%	8.00%	9.60%	11.20%	12.80%	14.40%	16.00%	17.60%	19.20%
	\$175,000	1.37%	2.74%	4.11%	5.49%	6.86%	8.23%	9.60%	10.97%	12.34%	13.71%	15.09%	16.46%
	\$200,000	1.20%	2.40%	3.60%	4.80%	6.00%	7.20%	8.40%	9.60%	10.80%	12.00%	13.20%	14.40%
	\$225,000	1.07%	2.13%	3.20%	4.27%	5.33%	6.40%	7.47%	8.53%	9.60%	10.67%	11.73%	12.80%
	\$250,000	0.96%	1.92%	2.88%	3.84%	4.80%	5.76%	6.72%	7.68%	8.64%	9.60%	10.56%	11.52%



Note: Industry studies suggest that a manageable student loan payment should equal 10% or less of a borrower's gross income.

RECOGNIZING YOUR REPAYMENT SITUATION

Not everyone holds the same amount of student loan debt. Your approach to dealing with repayment will be unique.

The chart above is a guide to determining your student loan debt situation based on your expected annual gross income. Add the monthly payment amounts for your federal and private student loans. This is your estimated total monthly student loan payment. Find the point where that number meets your estimated annual gross income. Industry studies suggest that a manageable student loan payment should equal 10% or less of a borrower's gross income.

Request an account statement from your lender(s) to determine your loan balance and monthly payment.

LEARN MORE

1. POSTPONE – No Payment

If you are not able to make payments on your federal loans you may apply for a deferment or forbearance. Some loans in deferment have their interest subsidized so always try for a deferment prior to forbearance.

If you do not have a Grad PLUS or Consolidation Loan then you may apply for an economic hardship deferment or other applicable deferment closer to your Stafford Loan(s) grace end date.

Private loans are not eligible for deferments; however, forbearance is an option for a short period of time should a borrower not be able to make payments once their private loan grace period has ended.

For more information about available deferments or forbearance contact your lender/servicer.

2. EXTEND – Smaller Payment

If you need a lower monthly payment, you can extend your repayment term for Stafford and/or Grad PLUS loan(s) from the 10-year standard repayment plan to 25 years. Use our [Monthly Payment Options Calculator](#) to find your monthly payment amounts. The only requirement: you must have more than \$30,000 in federal loans to be eligible.

You may extend your term on your consolidation(s) based on your consolidation balance.

Lowering payments on your student loans, which have relatively low interest rates, is a smart financial strategy. That way, you can put more money toward high-interest debt, such as private loans or credit cards. Keep in mind that there are no prepayment penalties if you are able to pay your loans off more quickly.

3. REDUCE – Even Smaller Payment

Payments can be minimized with graduated payment plans that start with interest-only payments. Here is our [Monthly Payment Options Calculator](#) to show you monthly payment amounts.

Our two graduated repayment plan options:

- Option 1:** First 1/3 of payments = Interest only
Remaining 2/3 of payments = Remaining balance, level monthly payments
- Option 2:** 1/4 of payments = Interest only
1/4 of payments = Combination of principal and interest using full repayment term
1/2 of payments = Combination of principal and interest recalculated based on the remaining term

Remember, lowering payments on your student loans, which have relatively low interest rates, is a smart financial strategy. That way, you can put more money toward high-interest debt, such as private loans or credit cards. Keep in mind that there are no prepayment penalties if you are able to pay your loans off faster.

4. OVERPAY – Bigger Payment

Overpayment is a great way to reduce your total loan cost. Rather than making a standard payment that will gradually reduce your loan balance, consider increasing payments on your highest-rate debt. You can free up some funds from your lower-rate loans to pay off more higher-rate debt by:

- Taking advantage of postponement options.
- Extending your repayment term and/or opting for a graduated payment plan that starts with interest-only payments.

There are no prepayment penalties when you pay off your T.H.E. Private, Grad PLUS or other federal loans faster.
