

Tips to Responsible Borrowing

Follow these helpful student loan tips and you can be prepared, responsible and successful!

Ensure a financially secure future by prepaying fixed costs, such as tuition, fees, room and board. Use credit cards wisely, avoid impulsive spending and keep track of your expenses, evaluating where you can cut back and save.

Keep your monthly payment within 8 percent of your gross income. Also, check out average career salaries under the *Career Information* tab on *GACollege411* for a listing of a variety of occupations and estimated starting salaries. Each year, using the repayment estimator below, estimate the amount you should budget for your monthly loan payment based on the amount you have borrowed thus far and what you expect you will have to borrow to finish school.

Repayment Estimator															
Balance at Repayment	5%			6%			7%			8%			8.25%		
	Paymt.	Mo.	Interest	Paymt.	Mo.	Interest	Paymt.	Mo.	Interest	Paymt.	Mo.	Interest	Paymt.	Mo.	Interest
\$1,000	\$50.00	21	\$46.32	\$50.00	22	\$56.25	\$50.00	22	\$66.44	\$50.00	22	\$76.87	\$50.00	22	\$79.52
2,000	50.00	44	192.43	50.00	45	237.03	50.00	46	284.12	50.00	47	333.94	50.00	47	346.83
3,000	50.00	70	459.39	50.00	72	575.69	50.00	75	703.19	50.00	77	843.97	50.00	78	881.53
4,000	50.00	98	875.74	50.00	103	1,121.05	50.00	109	1,403.78	50.00	115	1,735.12	50.00	117	1,827.31
6,000	63.64	120	1,636.72	66.61	120	1,993.48	69.67	120	2,359.81	72.80	120	2,735.59	73.59	120	2,830.99
8,000	84.85	120	2,182.29	88.82	120	2,657.97	92.89	120	3,146.41	97.06	120	3,647.45	98.12	120	3,774.65
10,000	106.07	120	2,727.86	111.02	120	3,322.46	116.11	120	3,933.02	121.33	120	4,559.31	122.65	120	4,718.32
20,000	212.13	120	5,455.72	222.04	120	6,644.92	232.22	120	7,866.04	242.66	120	9,118.62	245.31	120	9,436.63
30,000	318.20	120	8,183.59	333.06	120	9,967.38	348.33	120	11,799.05	363.98	120	13,677.93	367.96	120	14,154.95
40,000	424.26	120	10,911.45	444.08	120	13,289.84	464.43	120	15,732.07	485.31	120	18,237.25	490.61	120	18,873.26
50,000	530.33	120	13,639.31	555.10	120	16,612.30	580.54	120	19,665.09	606.64	120	22,796.56	613.26	120	23,591.58
60,000	636.39	120	16,367.17	666.12	120	19,934.76	696.65	120	23,598.11	757.97	120	27,355.87	735.92	120	28,309.89

Make your payments on time and in full so you can benefit from your lender's special repayment benefits program, which rewards borrowers for responsible financial habits.

Keep a log of all communications, including phone calls. Keep copies of all correspondence as well.

Make sure you date correspondence and mail it to your lender or holder, NOT the financial aid office.

If you relocate, be sure to inform your lender or holder of your new address and phone number. If you cannot be located, you could be declared in default without your knowledge.

For more information on your student loan, call us at (770) 724-9000 or toll free at 800-505-4732. You can also access your loan information through GACollege411.org. — We're here to help!



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Get the 411 on Student Loan Responsibilities



Your Credit, Your Future

GACollege411

Helping Students Plan, Apply, and Pay for College

GACollege411 is a service of the State of Georgia provided by the Georgia Student Finance Commission, the Office of the Governor, and many other partners.

How to Avoid the "D" Word: Troubleshoot!

Defaulting on your student loan is never an acceptable alternative. Don't take chances with your future. If you find yourself having difficulty repaying your loan, you can troubleshoot by doing the following:

- ✓ **Develop and stick to a budget.**
- ✓ **Take Advantage of GSFC's Partnership with Consumer Credit Counseling Service of Greater Atlanta, Inc. (CCCS).** CCCS provides students additional help in budgeting to repay their college loans. CCCS can offer you debt management counseling and suggest options for repayments. For additional help check out their website at onlinecounsel.cccsatl.org/gheac.asp or call 866-829-3438 (Referral #017) for information.
- ✓ **Use the tips for financial fitness detailed on GACollege411.org in the Repayment Guide section.**
- ✓ **When Repayment Gets Tough, Check Out Your Options.** When money gets tight and you're considering skipping a student loan payment, call your lender or holder immediately to discuss your options listed above. Learn about these options and seek guidance from your lender holder, or GSFC.

It's important to be a responsible borrower! Just remember the following:

- ✓ **Keep all student loan documents in this folder.**
- ✓ **Open a My411 account on GACollege411.org to track your loan amounts and repayment history instantly. Make your payments online.**
- ✓ **Open all your mail and read everything pertaining to your student loan. If you don't understand something, call the Georgia Student Finance Commission customer relations department at 800-505-4732 or email paying@help.GACollege411.org and we'll help you!**
- ✓ **Make all regularly scheduled payments.**
- ✓ **Ask for help if you find yourself headed for trouble.**
- ✓ **Maintain contact with your lender, servicer and/or loan holder and provide your current address.**

By staying organized, you can avoid default and be hassle-free when you graduate and begin your career.

GACollege411.org

800-505-4732

Student Loan Definitions

Credit Bureau: An organization to which business firms apply for information on your repayment record. By making payments on time, you are ensuring that you maintain a good credit rating, which you will need when it comes time to apply for credit cards, buy a car, purchase a home, or in some cases get a job.

Default: Failure to repay your loan according to the terms of your promissory note for more than 270 days.

Delinquency: Failure to repay your loan on time in accordance with the terms of your promissory note. Delinquency begins on the day following your loan repayment due date.

Disclosure Statement: A document listing the principal amount of your loan, if applicable, the interest rate and the total amount of your current indebtedness for loans guaranteed by a guaranty agency such as Georgia Higher Education Assistance Corporation. You'll receive a disclosure statement before you receive the loan proceeds.

Guaranty Agency: An agency which will verify a borrower's eligibility for funding and will insure the loan for the lender. Before a lender will make a federal education loan, a guaranty agency, such as the GHEAC must insure your loan.

Holder: The institution that owns your loan. This could be your original lender or, if your lender has sold the loan, the holder is the institution that purchased it.

Lender: The financial institution or bank that makes your loan.

Promissory Note: The legal document you sign that lists the terms and conditions under which you agree to repay your loan.

Repayment Schedule: A document detailing your loan balance, estimated total amount of interest owed, amount of each monthly payment, the total number of payments to be made, the date your first payment is due, and where you are to send your payments. You will receive this document when it's time to begin repaying your loan.

Servicer: A business that handles administrative tasks such as collecting payments, sending reminder letters, etc. If your lender employs a servicer, you will receive the servicer's name, address and phone number.

Subsidized Stafford Loans: Federal loans based on proven financial need. The government pays the interest while you are in school and for a six-month grace period after you leave school or drop below half-time enrollment.

Unsubsidized Stafford Loans: Federal loans, non-need based, available to eligible borrowers who don't qualify for the maximum amount of subsidized funding; however, you are responsible for all interest payments during school and the six-month grace period.

U.S. Department of Education Loans: If you get a Stafford loan, it is part of the Federal Family Education Loan Program (FFELP) or part of the Direct Student Loan Program. If you receive a subsidized Stafford loan, the government pays subsidies to lenders who provide the loan funds to you.

What are your options?

Repayment You can use the calculators in the *Paying for College* tab at *GACollege411.org* to estimate your monthly payments and starting salary. Once you estimate how much your approximate monthly payment will be, you can choose the repayment plan that best fits your needs. You'll receive repayment information and instructions from your lender or holder. You can choose from several repayment plans:

- **Standard Repayment** keeps total finance charges to a minimum. It's ideal for borrowers who can meet their monthly payments without difficulty.
- **Graduated Repayment** offers interest-only payments for the first two or up to four years. It can lower initial monthly payments by as much as 40 percent.
- **Income-Sensitive Repayment** establishes monthly payments based on growth of your monthly income. It can be helpful for those with modest incomes.
- **Extended Repayment** provides repayment period of up to 25 years for some borrowers whose loans total more than \$30,000.

By repaying your loan early in whole or part, you can reduce the total amount of interest you pay on your loan.

Deferment A deferment is an authorized period of time during which you may postpone payment on your loan. Both principal and interest payments are normally deferred, but you may pay the interest if you wish to avoid additional costs that result when the unpaid interest is added to the loan principal later on (capitalization). Forms are available for download in the *Publications and Forms* section on *GACollege411.org*.

Forbearance If you experience financial difficulty, inform your lender or holder and discuss forbearance options. Forbearance is granted at the discretion of your lender or holder for up to 12 months at a time and is generally available for up to three years. If you receive a forbearance, all payments will be temporarily suspended unless you request smaller ones; however, interest will continue to accrue during the forbearance period. Forms are available for download in the *Publications and Forms* section on *GACollege411.org*.

Loan Consolidation offers borrowers with multiple loans or high balances the opportunity to consolidate these loans into a single payment, and in many instances, schedule the consolidated loans to be repaid over a longer period, thus reducing your monthly payment to a manageable amount. Apply over the phone or online. Call GSFC at 800-505-4732 or go to *GACollege411.org* to the *Applications & Transcripts* tab and choose loan applications.

The Key to Avoiding Default is Communicating with Your Lender or Holder!

Keeping them informed of your situation

will allow them to help you resolve most repayment problems.