

Entrance Counseling Pacific McGeorge Law School



Maximizing Your Investment in a Law School Education



What Will You Learn Today?

Objectives

- **General information about federal student loans**
- **Understand your rights and responsibilities as a student loan borrower**
- **Know what to do when it's time to repay**
- **Understand your spending habits**
- **Learn how to create a budget**
- **Understand your credit**
- **Scholarship Opportunities (endowed, outside, etc.)**
- **Business Office Information**

McGeorge Financial Aid Information

- Office hours 8:30 A.M. – 5:30 P.M.
- Wednesday open until 6:15 P.M.
- Correspondence is through your official school email address (u.pacific.edu)
- finaid@u.pacific.edu
- Financial Aid information is online through our secure site, InsidePacific
- Federal Work Study

Business Office

- **Financial Responsibility Acceptance**
- **Refunds (direct deposit, mailed)**
- **Address Updates**
- **Tuition Payment Deadline**
- **Health Insurance waiver deadline (9/2/22)**

Federal Student Loans

Federal Direct Unsubsidized Loan

Interest Rate	6.54% Variable-Fixed Tied to the 10-year treasury bill plus 3.6% with a 9.5% cap. Student responsible for all interest. Borrower can pay interest while in-school or delay until repayment
Annual Limit	\$20,500 minus subsidized received
Aggregate Limit	\$138,500 minus aggregate subsidized received
Minimum Payment	\$50
Repayment Term	10 Years

Federal Student Loans

Federal Direct Graduate PLUS Loan

Interest Rate: 7.54% Variable-Fixed

Tied to 10-year treasury bill plus 4.6% with a 10.5% cap. Student responsible for all accrued interest. Interest accrues immediately upon disbursement.

Annual Limit: Up to the cost of attendance minus other financial aid for loan period.

Minimum Payment: \$50

Repayment Term: 10 Years (Standard)

Eligibility: Borrower can not have adverse credit.

Federal Student Loans

Adverse Credit History Means

- **More than 90 days delinquent on repayment of debt;**
- **During 5 years preceding credit report date:**
 - **Default determination;**
 - **Bankruptcy discharge;**
 - **Foreclosure, repossession, tax lien, or wage garnishment;**
 - **Write-off of title IV debt**

Federal Student Loans

Loan Disbursements

- **Fees (up to 4.228%) will be subtracted from the loan**
- **Regulations require multiple disbursements**
 - **Generally based on academic terms**
 - **Semester**

Your Rights and Responsibilities

As a Borrower, You Have the Right To

- **Repay your loan in full at anytime without penalty**
- **A grace period before the start of repayment**
- **Defer repayment for a specific period of time, if you qualify**
- **Receive a disclosure statement**
- **Receive documentation when your loan is paid in full**

Your Rights and Responsibilities

As a Borrower, You Must

- **Complete loan exit counseling before you leave school or graduate**
- **Repay your loan, even if you don't complete your degree, are unhappy with your education or can't find a job in your field**
- **Notify your loan servicer if you change your name, address or telephone number**
- **Contact your loan servicer if you cannot make a payment**

When It's Time to Repay

Finding Your Student Loans

National Student Loan Data System for Students

- **Central database for student loans**
 - Loans tracked until they are paid in full
 - See how much you owe and to whom
 - Use your FSA ID to access your account
- **www.studentaid.gov**

NSLDS does not provide information on private or alternative loans.

When It's Time to Repay

What Should You Know

- **Deferment Options**
 - In-school
 - Economic Hardship
 - Unemployment
- **Repayment Options**
 - **Direct Federal Loans have seven repayment options**
 - Standard (Level)
 - Graduated
 - Income Contingent
 - Income Based Repayment
 - Extended
 - Pay as you Earn or Repaye
- **Consolidation**
 - **Allows the borrower to combine federal loans into one consolidated loan**

Do the Math

Estimated Loan Repayment Option Examples

Debt	Repayment Terms	6.54% Interest Rate		7.54% Interest Rate	
		Monthly Payment	Total Paid	Monthly Payment	Total Paid
\$100,000	10 Years	\$1,149	\$137,881	\$1,241	\$148,949
	25 Years	\$688	\$205,368	\$772	\$232,231
	30 Years	\$643	\$230,802	\$733	\$263,783
\$150,000	10 Years	\$1,723	\$206,821	\$1,861	\$223,423
	25 Years	1,028	\$308,050	\$1,162	\$348,349
	30 Years	\$959	\$346,199	\$1,093	\$395,670
\$200,000	10 Years	\$2,298	\$275,762	\$2,482	\$297,897
	25 Years	\$1,368	\$410,732	\$1,553	\$464,467
	30 Years	\$1,287	\$461,604	\$1,466	\$527,566

When It's Time to Repay

What Should You Do

- **Pay on time!**
- **Delinquency**
 - Your loan will be considered delinquent when one payment is missed
 - Reflects negatively on your credit report
- **Default**
 - Defaulting on loans has serious penalties

Consequences of Student Loan Default

- **Damaged credit rating**
- **Loss of options to suspend repayment**
- **Seized federal income tax refunds**
- **Collection agency referral**
- **Maybe reported for professional licensing applications, background checks, etc.**

Consequences of Default

- **Additional fee assessments**
 - **Wages may be garnished from your employer to repay your student loan**
 - **Lost student loan eligibility**
-

Remember: Student loans can not be discharged under bankruptcy at anytime

Loan Forgiveness

- **Loan Forgiveness Program for Public Service**
 - **Must be working for 10 years in Public Service as defined by the Dept. of Education (visit <http://studentaid.gov> for more information)**
 - **Must be in repayment, in the Direct Loans program**
 - **Must be making payments for 10 years, then remaining loan is forgiven if you qualify**
 - **Loan Repayment and Assistance Program (McGeorge)**
 - **PLSS Grant – summer grant program while in school**

Loan Forgiveness or Discharge

- **Loan discharge (cancellation)**
 - **Identity theft**
 - **Death of borrower**
 - **Total and permanent disability of borrower**
 - **School closure (in certain situations)**
- **Contact servicer for more information about these situations**

Scholarships

- **As a continuing student you can build on your admission awards through our academic scholarships and endowed scholarships**
- **Scholarships cannot exceed the block rate tuition**
- **Endowed scholarship and FAFSA deadline is the first Monday in March**

What Type of Spender Are You?

Take the Quiz!

1. Are you still paying for something you purchased one year ago?
2. Do you max out your credit cards each month?
3. Do you use credit cards instead of cash, even when purchases are small?
4. Are you broke by payday?
5. Do you shop for recreation?
6. Is your checking account frequently overdrawn?
7. Do you notice different moods before, during, and after shopping?
8. Do your friends tease you about living a champagne life on a beer budget?
9. Are you surprised by what you paid in interest at the end of the year?

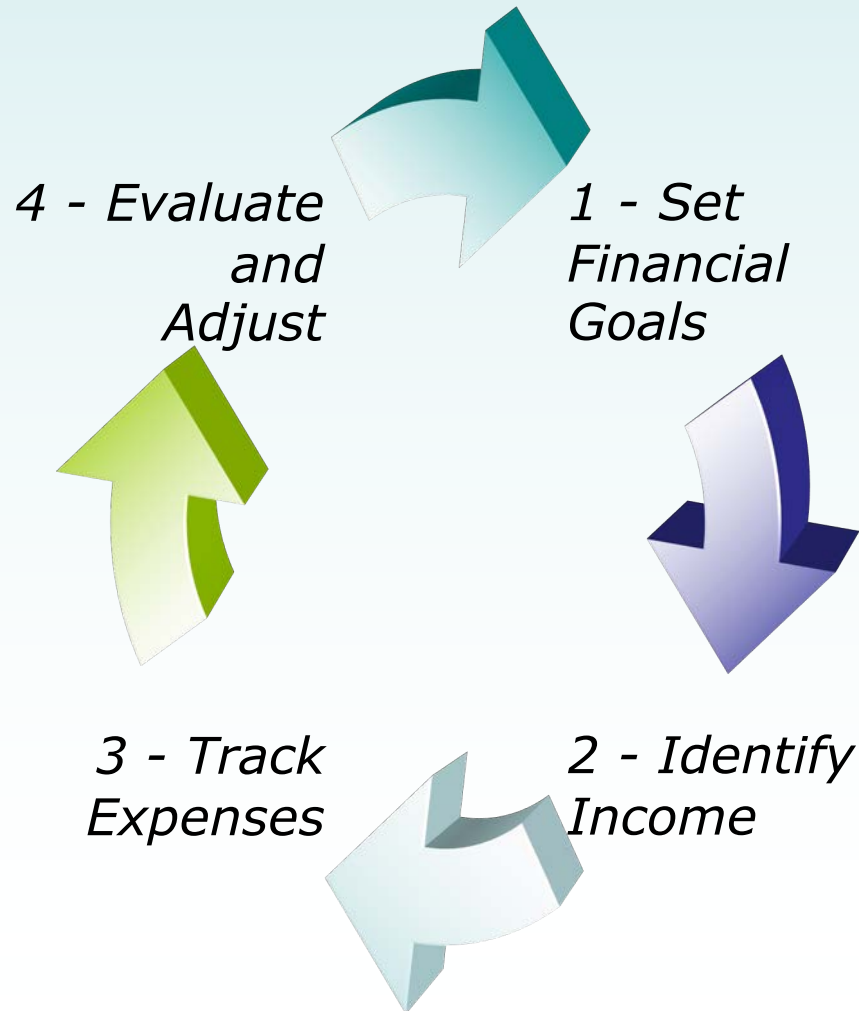
What Type of Spender Are You?

Factors that Influence Spending

- **Values**
- **Peers**
- **Habits**
- **Feelings**
- **Family**
- **Risk and consequences**
- **Experience (age)**

Budgeting Basics

Four Basic Steps to Creating a Budget



Budgeting Basics

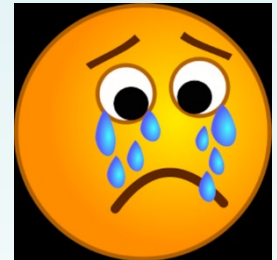
Included

- **Housing**
- **Food**
- **Child care**
- **Transportation**
- **Personal**
- **Tuition & fees**
- **Books**



Not included

- **Pets**
- **Gifts**
- **Credit cards**
- **Private student loan(s)**
- **Car payment**



Budgeting Basics

Wants vs. Needs

- Is everything you “need” really necessary

Benefits of Living Within a Budget

- Financial confidence
- Wide career choices

Budgeting Basics

The Cost of Coffee

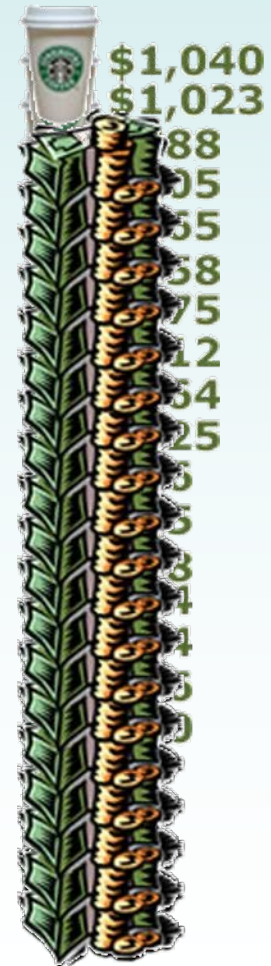
- 1 cup = \$4
- 1 cup every weekday = \$20
- 1 cup every weekday for a year = \$1,040



Day



Week



Year

Be Credit Smart

**Review your credit report annually at
annualcreditreport.com**

Credit Reports

- **Credit reports summarize your financial history to help lenders, landlords, and insurance companies decide whether to do business with you and, if so, at what terms**

Be Credit Smart

A Credit Score Is

- A number that predicts the likelihood of repaying debt on time
- A snapshot of your credit history

FICO Score

- FICO scores are the most common type of credit score
 - Range from 300–850
 - The higher the score, the better your credit
- FICO scores can be purchased at [myFICO.com](https://myfico.com)

Knowing Your Credit

To Improve Your Credit

- Catch up on missed payments and pay on time
- Pay off debt rather than move it around
- Pay off collection accounts, will not be removed from your credit report for seven to 10 years

Protect Your Credit

- Safeguard your personal information to protect yourself from identity theft

Opt out by calling (888)-OPTOUT (888)-567-8688 or visit *<https://www.optoutprescreen.com/>*

Tips

- **Stick with Federal loans (flexible repayment plans, forgiveness, Public service loan forgiveness, economic and unemployment deferments)**
- **Good credit is important (Federal Graduate PLUS loan is credit based)**
- **No credit is fine for a Graduate PLUS loan. Not looking at credit score (90 day late payments, foreclosure, bankruptcies, charge off could cause problem)**
- **If possible, pay down or reduce debt before school starts.**
- **Think all the way through law school and the bar when you make your borrowing decisions**

Helpful Resources

For Additional Information Please Contact

University of the Pacific McGeorge School of Law

Financial Aid Office

(916) 739-7158

www.mcgeorge.edu

Federal Student Aid

800 4FED AID

NSLDS for Students

www.nslds.ed.gov/nslds_SA

Ombudsman

(877) 557-2575 or www.sfahelp.ed.gov

REGISTER AT AccessLex.org/MAXonline



Contact Information



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