

# SENATE BILL 253

## Student Loan Transparency

## 2017-18 AWARD NOTIFICATION

Based upon the information provided to the Office of Financial Aid and eligibility criteria for available aid programs, we are able to offer you assistance as shown below. Please refer to the Financial Aid Guide on our website for important information about the steps you need to take to process the aid offered and how it will be disbursed.

	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>TOTAL</u>
Federal Pell Grant		1,083	1,082	2,165
Federal SEOG Grant		500	500	1,000
Faculty Scholarship		8,000	8,000	16,000
Outreach Scholarship		9,415	9,415	18,830
Lewis & Clark Endowed Scholarship		750	750	1,500
Lewis & Clark Grant		6,219	6,219	12,438
Federal Direct Subsidized Loan		1,750	1,750	3,500
Federal Direct Unsubsidized Loan		1,000	1,000	2,000
<b>TOTAL</b>		<b>\$28,717</b>	<b>\$28,716</b>	<b>\$57,433</b>

## CURRENT INFORMATION

The following 2017-18 estimated cost of attendance budget was used to determine your eligibility for financial aid:

Tuition and Fees	46,894
Living Allowance	11,540
Books & Supplies	1,050
Personal and Transportation	2,052
<b>TOTAL</b>	<b>\$61,536</b>

In addition to the assistance referenced above, you demonstrate eligibility to seek employment through the Federal Work-Study (FWS) program and may earn up to \$2,500.00. This eligibility is not a guarantee of employment. You must seek, apply for, and work at an FWS job to receive funds. FWS earnings are paid monthly for hours worked.

**Plain Language Disclosure for Direct Subsidized Loans and Direct Unsubsidized Loans**  
**William D. Ford Federal Direct Loan Program**

**1. General Information.** You are receiving a Direct Subsidized Loan and/or Direct Unsubsidized Loan to help cover the costs of your education. This Plain Language Disclosure (Disclosure) summarizes information about your loan. Please read this Disclosure carefully and keep a copy in a safe place. In this Disclosure, the words "we," "us," and "our" refer to the U.S. Department of Education (the Department).

We may use a servicer to handle billing and other communications related to your loan. If you have questions about your loan, contact your servicer. Your servicer's telephone number and address are shown on correspondence you will receive related to your loan.

You must repay this loan, even if you are unhappy with your education, do not complete your program of study, or cannot find work in your area of study. Borrow only the amount you can afford to repay, even if you are eligible to borrow more.

By signing the Master Promissory Note, you certified under penalty of perjury that if you have been convicted of, or if you have pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining federal student aid funds under Title IV of the Higher Education Act of 1965, as amended, you have fully repaid those funds to us, or to the loan holder in the case of a Title IV federal student loan.

Information about your loans will be reported to the National Student Loan Data System (NSLDS). Information in NSLDS is accessible to schools, lenders, and guarantors for specific authorized purposes.

**2. Master Promissory Note (MPN).** You are receiving a loan under an MPN that you signed previously. You may receive additional loans under that MPN for up to 10 years if the school that you attend is authorized to use the multi-year feature of the MPN and chooses to do so. If your school is not authorized to use the multi-year feature of the MPN or chooses not to do so, or if you do not want to receive more than one loan under the same MPN, you must sign a new MPN for each loan. If you do not want to receive more than one loan under the same MPN, you must notify your school or your servicer in writing.

**3. Loan terms and conditions.** This Disclosure summarizes information about your loan. Please refer to your MPN and the Borrower's Rights and Responsibilities Statement that you received previously for the complete terms and conditions of your loan. If you need another copy of the Borrower's Rights and Responsibilities Statement, contact your servicer. Unless we tell you otherwise in this Disclosure, your MPN and the Borrower's Rights and Responsibilities Statement control the terms and conditions of your loan. Loans made under your MPN are subject to the Higher Education Act of 1965, as amended (the HEA), and federal regulations (we refer to the HEA and these regulations as "the Act"). Any change to the Act that affects the terms of the MPN that you signed will be applied to your loans in accordance with the effective date of the change.

**4. Direct Subsidized Loans and Direct Unsubsidized Loans.** Direct Subsidized Loans are available only to undergraduate students. Graduate and professional students were eligible to receive Direct Subsidized Loans for periods of enrollment that began before July 1, 2012. Direct Unsubsidized Loans are available to both undergraduate students and graduate or professional students.

To receive a Direct Subsidized Loan, you must have financial need. Except as explained in item 10 of this Disclosure, you are not required to pay the interest that accrues on Direct Subsidized Loans while you are in school, during the grace period, during deferment periods, and during certain periods of repayment under the Income-Based Repayment Plan and the Pay As You Earn Plan.

Direct Unsubsidized Loans are not based on financial need. You must pay the interest that accrues on Direct Unsubsidized Loans during all periods. For more information on interest charges, see item 10.

**5. Time limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013.** If you are a first-time borrower (see the Borrower's Rights and Responsibilities Statement that you received previously) on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans.

In general, if you are a first-time borrower on or after July 1, 2013 you may not receive Direct Subsidized Loans for more than 150% of the published

length of your program of study. This is called your "maximum eligibility period." For example, if you are enrolled in a 4-year bachelor's degree program, the maximum period for which you can receive Direct Subsidized Loans is 6 years (150% of 4 years = 6 years).

Your maximum eligibility period is based on the published length of the program in which you are currently enrolled. This means that your maximum eligibility period can change if you change programs. If you receive Direct Subsidized Loans for one program and then change to a different program, the period of time for which you received Direct Subsidized Loans for the earlier program will generally count against your new maximum eligibility period.

After you have received Direct Subsidized Loans for your maximum eligibility period, you are no longer eligible to receive additional Direct Subsidized Loans, and if you are enrolled in school you may become responsible for paying interest on your Direct Subsidized Loans. You may continue to receive Direct Unsubsidized Loans. We will notify you if you are no longer eligible to receive additional Direct Subsidized Loans.

In addition, if you continue to be enrolled in any undergraduate program after you have received Direct Subsidized Loans for your maximum eligibility period, or if you enroll in another undergraduate program that is the same length as or shorter than your previous program, in most cases (there are certain exceptions as provided under the Act) you will become responsible for paying the interest that accrues on your Direct Subsidized Loans during all periods, beginning on the date of the enrollment that causes you to become responsible for paying the interest. We will notify you if you become responsible for paying all of the interest that accrues on your Direct Subsidized Loans.

You may obtain additional information about the limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013 from your school's financial aid office or at [StudentAid.gov](http://StudentAid.gov).

**6. Use of loan money.** You may use your loan money only to pay for educational expenses (for example, tuition, room, board, books) at the school that determined you were eligible to receive the loan. If you accept this loan, your eligibility for other student assistance may be affected.

**7. Information you must report.** While you are still in school, you must notify your school if you (i) change your address or telephone number; (ii) change your name (for example, maiden name to married name); (iii) do not enroll at least half-time for the loan period certified by the school, or do not enroll at the school that certified your eligibility for the loan; (iv) stop attending school or drop below half-time enrollment; or (v) graduate or transfer to another school.

You must also notify your servicer of any of the above changes at any time after you receive your loan. In addition, you must notify your servicer if you (i) change employers or if your employer's address or phone number changes; or (ii) have any other change in status that affects your loan (for example, if you received a deferment but no longer meet the eligibility requirements for that deferment).

**8. Amount you may borrow.** There are limits on the amount you may borrow each academic year (annual loan limits) and the amount you may borrow in total for undergraduate and graduate study (aggregate loan limits), as explained in more detail in the Borrower's Rights and Responsibilities Statement. You cannot borrow more than these limits. The annual and aggregate loan limits are as follows:

**Annual Loan Limits**

Dependent Undergraduates (except students whose parents cannot borrow Direct PLUS loans)	
First Year (freshman)	\$5,500 (maximum \$3,500 subsidized)
Second Year (sophomore)	\$6,500 (maximum \$4,500 subsidized)
Third Year (junior) & Beyond	\$7,500 (maximum \$5,500 subsidized)
Independent Undergraduates (and dependent students whose parents cannot borrow Direct PLUS loans)	
First Year (freshman)	\$9,500 (maximum \$3,500 subsidized)
Second Year (sophomore)	\$10,500 (maximum \$4,500 subsidized)
Third Year (junior) & Beyond	\$12,500 (maximum \$5,500 subsidized)

Plain Language Disclosure for Direct Subsidized Loans and Direct Unsubsidized Loans  
William D. Ford Federal Direct Loan Program

You do not have to pay interest on the loan fee on the part of your loan that is cancelled or returned within the timeframes described above. We will adjust your loan amount to eliminate any interest and loan fee that applies to the amount of the loan that was cancelled or returned.

**15. Grace period.** You will receive a 6-month grace period on repayment that starts the day after you stop attending school or drop below half-time enrollment. You do not have to begin making payments on your loan until after your grace period ends.

**16. Repaying your loan.** You must repay each loan that you receive according to the repayment schedule provided by your servicer. You must begin repaying your loan after your grace period ends. The amount of time you have to repay your loan (the repayment period) will vary from 10 to 25 years, depending on the repayment plan that you choose and the total amount you have borrowed. If your loan has a variable interest rate, we may need to adjust the number or amount of your payments to reflect changes in the interest rate.

These plans are designed to give you flexibility in meeting your obligation to repay your loan. You may change repayment plans at any time after you have begun repaying your loan. You may make loan payments before they are due, or pay more than the amount due each month, without penalty. When you have repaid a loan in full, your servicer will send you a notice telling you that you have paid off your loan. You should keep this notice in a safe place.

You may choose one of the following repayment plans:

**Standard Repayment Plan**

You will make fixed monthly payments and repay your loan within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your payments must be at least \$50 per month (\$600 per year) and will be more, if necessary, to repay the loan within the required time period.

**Graduated Repayment Plan**

Your payments will usually be lower at first, and will then increase over time. You must repay your loan in full within 10 years (not including periods of deferment and forbearance) from the date the loan entered repayment. Your monthly payment must at least be equal to the amount of interest that accrues each month. No single payment will be more than 3 times greater than any other payment.

**Extended Repayment Plan**

You may choose this plan only if (i) you had no outstanding balance on a Direct Loan Program loan as of October 7, 1998 or on the date you obtained a Direct Loan Program loan on or after October 7, 1998, and (ii) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000. You may choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time, and will repay your loan in full over a period not to exceed 25 years (not including periods of deferment and forbearance) from the date your loan entered repayment. If you make fixed monthly payments, your payments must be at least \$50 per month (\$600 per year) and will be more, if necessary, to repay the loan within the required time period. If you make graduated payments, your monthly payment must at least be equal to the amount of interest that accrues each month. No single payment under the graduated option will be more than three times greater than any other payment.

**Income-Based Repayment Plan (IBR Plan)**

Under this plan, your monthly payment amount is generally 15% (10% if you are a new borrower; see Note below) of your annual discretionary income, divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size.

To initially qualify for the IBR Plan and to continue to make payments based on your income, the amount you would be required to pay on your eligible student loans under the IBR Plan must be less than the amount you would have to pay under the Standard Repayment Plan.

If you are married and file a joint federal income tax return, the loan amount used to determine if you initially qualify for the IBR Plan will include your eligible loans and your spouse's eligible loans, and the income used to determine your IBR Plan payment amount will be the combined adjusted gross income of you and your spouse.

While you are repaying under the IBR Plan, you must annually provide documentation of your income and certify your family size. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide.

Under the IBR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years (20 years if you are a new borrower) of qualifying monthly payments and at least 25 years (20 years if you are a new borrower) have elapsed, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven. Your servicer can provide more information about the IBR Plan.

**Note:** You are a new borrower for the IBR Plan if you have no outstanding balance on a Direct Loan Program or Federal Family Education Loan (FFEL) Program loan on July 1, 2014, or if you have no outstanding balance on a Direct Loan Program or FFEL Program loan on the date you obtain a Direct Loan Program loan after July 1, 2014. Your servicer will determine whether you are a new borrower based on the information about your loans in NSLDS.

**Pay As You Earn Repayment Plan (Pay As You Earn Plan)**

Under this plan, your monthly payment amount is generally 10% of your annual discretionary income, divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size. The Pay As You Earn Plan is available only to new borrowers. You are a new borrower for the Pay As You Earn Plan if:

(1) you had no outstanding balance on a Direct Loan Program or FFEL Program loan as of October 1, 2007, or you have no outstanding balance on a Direct Loan Program or FFEL Program loan when you obtain a new loan on or after October 1, 2007, and

(2) you receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan (a Direct PLUS Loan made to a graduate or professional student) on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011.

In addition to being a new borrower, to initially qualify for the Pay As You Earn Plan and to continue to make payments that are based on your income, the amount you would be required to pay on your eligible student loans under the Pay As You Earn Plan must be less than the amount you would have to pay under the Standard Repayment Plan.

If you are married and file a joint federal income tax return, the loan amount used to determine if you initially qualify for the Pay As You Earn Plan will include your eligible loans and your spouse's eligible loans, and the income used to determine your Pay As You Earn Plan payment amount will be the combined adjusted gross income of you and your spouse.

While you are repaying under the Pay As You Earn Plan, you must annually provide documentation of your income and certify your family size. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide.

Under the Pay As You Earn Plan, if your loan is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments and at least 20 years have elapsed, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven. Your servicer can provide more information about the Pay As You Earn Plan.

**Income Contingent Repayment Plan (ICR Plan)**

Under this plan, your monthly payment amount will be either 20% of your discretionary income or a percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period, whichever is less. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size. If you are married and file a joint federal income tax return, the income used to determine your ICR Plan payment amount will be the combined adjusted gross income of you and your spouse. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues monthly on your loan unless you request a forbearance.

While you are repaying under the ICR Plan, you must annually provide documentation of your income and certify your family size. Your monthly

**Loan Information**

6. Loan Identification Number(s)	7. Loan Period(s)	8. Loan Fee %
XXXXXXXXXS17G03227001	08/29/2016 – 05/12/2017	1.068
XXXXXXXXXU17G03227001	08/29/2016 – 05/12/2017	1.068

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9. Subsidized Eligibility Type	10. Subsidized Usage	11. Total Subsidized Usage	12. Remaining Subsidized Eligibility
Undergraduate	1.0	2.0	4.0

The information provided is anticipated—based on loans that your school plans to disburse to you—and is subject to change based on your future enrollment and borrowing practices.

13. Information about the loan(s) that your school plans to disburse (pay out) follows. This information is explained in detail on the back. The actual disbursement dates and amounts may be different than the dates and amounts shown below. The school and your servicer will notify you of the actual disbursement dates and amounts.

Direct Subsidized Loan	Gross Loan Amount	-	Loan Fee Amount	+	Interest Rebate Amount	=	Net Loan Amount
	\$4,161.00	-	\$44.00	+	\$0.00	=	\$4,117.00

Your school plans to disburse the Net Loan Amount as follows:

Date	Net Disbursement Amount	Date	Net Disbursement Amount
08/19/2016	\$ 2,059.00		
01/06/2017	\$ 2,058.00		

Direct Unsubsidized Loan	Gross Loan Amount	-	Loan Fee Amount	+	Interest Rebate Amount	=	Net Loan Amount
	\$2,339.00	-	\$24.00	+	\$0.00	=	\$2,315.00

Your school plans to disburse the Net Loan Amount as follows:

Date	Net Disbursement Amount	Date	Net Disbursement Amount
08/19/2016	\$ 1,158.00		
01/06/2017	\$ 1,157.00		

# THE INDIANA MODEL

Dear **John**:

This is a personalized summary of your estimated current student loan indebtedness. This information is being provided to you *before* you take on additional debt for the upcoming academic year. We encourage you to make use of the academic and financial planning resources suggested here (see other side) to minimize future borrowing while you complete your degree at Indiana University.

**Estimate of Your Total Education Loans:**

**\$25,000**

\*See the "Important Information" section on the other side of this letter regarding all loan estimates.

**Interest Rates**

Student loan interest rates vary based on when you borrowed and the loan type. Calculations in this letter are estimated at **6.8** percent.

**Estimated Monthly Payment – All Loans**

**Federal Stafford Loans**

The Federal Stafford Loan program provides the majority of funds for IU students. The total you have borrowed from this program, including both subsidized and unsubsidized loans, is **\$25,000**.

The maximum you may borrow for your dependency

status and degree objective is **\$57,500**. You have

borrowed **43.48%** of your current limit.

**Other Education Loans**

The estimated total of your education loans includes amounts below, based on Indiana University's records about your borrowing history:

Federal Perkins Loans: **0**

Private Loans Certified at IU: **0**

Other Loans Certified at IU: **0**

(May include Grad PLUS and Federal Health Profession Loans)

Total Education Loans:	<b>\$25,000</b>
Standard Repayment Term:	<b>10 years</b>
Assumed Interest Rate:	<b>6.8</b>
Monthly Payment:	<b>\$287</b>
Cumulative Payments:	<b>\$34,524</b>
Projected Interest Paid:	<b>\$9,524</b>

## Academic & Financial Planning Resources

Loans offered for the 2014-15 academic year are not included in the figures provided in this letter. There is still time for you to reduce future debt by planning your expenses carefully and borrowing only what you really need. Meet with your advisor and set a plan to expedite completing your degree, if possible. We encourage you to visit our web site at <https://www.iusb.edu/finaid/links.php> for resources which may help you balance your budget.

You are also invited to make an appointment or drop by the Financial Aid Office to review your loan debt figures, talk about future borrowing and discuss repayment options with a counselor.

The standard 10-year repayment plan for Federal Stafford Loans is one of many options. To find out about alternatives, visit this website:

<http://www.direct.ed.gov/RepayCalc/dlindex2.html>

To calculate payments on loans of all types, or to estimate your monthly obligation for your cumulative debt, try this simple tool offered by finaid.org:

<http://www.finaid.org/calculators/loanpayments.phtml>

Loan Terms Glossary - <http://www.direct.ed.gov/glos.html>

### Important Information about These Loan Estimates

**\*IMPORTANT: Figures provided in this notice are NOT a complete and official record of your student loan debt.**

The most accurate information about your Federal student loans (excluding Title VII and VIII Health Profession Loans) is available in the National Student Loan Data System (NSLDS).

[http://www.nsls.ed.gov/nslds\\_SA/](http://www.nsls.ed.gov/nslds_SA/)

Log in using your personal information and the 4-digit PIN you used to sign your FAFSA.

**Please read this important information about why loan totals in this letter may be incomplete or inaccurate.**

- Students who have borrowed at multiple institutions, who have consolidated their loans, or who have repaid a portion of their debt may find that these estimates are inaccurate.
- Grad PLUS Loans, Federal Health Profession Loans, state or institutional loans and private loans from other institutions are not included in these estimates.
- Federal Health Profession Loans, institutional loans and private loans certified at IU before the 2004-05 academic year are not included in these estimates.
- Interest that accrues while you are enrolled, which must be paid first or capitalized (added to your debt), has not been projected here and therefore has not been included in these estimates.
- The Federal Stafford and Perkins Loan figures in this letter are based on the most recent information sent to Indiana University by NSLDS and should include loans from any institution. However, if you recently received Stafford or Perkins loans at another institution, these may not have been included in the information provided by NSLDS.
- State Nursing and Teaching scholarships and Federal TEACH grants, which may be converted to loans if scholarship terms and conditions are not met by the recipient, are not included in these estimates.
- Education loans your parent took out on your behalf, and parent loans you may have taken for your children, are not included in these estimates.
- Loans included in this letter may have been discharged or forgiven.



“In accordance with Nebraska Legislative Bill 726 your total current loan balance is \$5,500 as of the date we received your 2017-2018 FAFSA. The percentage of the aggregate borrowing limit you've reached is 15%. Below is a table with estimated repayment information.”

**THE  
NEBRASKA  
COMMUNITY  
COLLEGE  
MODEL**

Total Student Loan Debt	Rate 3.8		Rate 4.3		Rate 4.7	
	Monthly Payment	Total Repayment Amount	Monthly Payment	Total Repayment Amount	Monthly Payment	Total Repayment Amount
\$ 3,500	\$50	\$3,968	\$50	\$4,039	\$50	\$4,099
\$ 5,500	\$55	\$6,620	\$56	\$6,777	\$58	\$6,904
\$ 6,500	\$65	\$7,823	\$67	\$8,009	\$68	\$8,159
\$ 7,500	\$75	\$9,027	\$77	\$9,241	\$78	\$9,414
\$ 10,000	\$100	\$12,036	\$103	\$12,321	\$105	\$12,553
\$ 12,000	\$120	\$14,443	\$123	\$14,785	\$126	\$15,063
\$ 15,000	\$150	\$18,054	\$154	\$18,482	\$157	\$18,829
\$ 20,000	\$201	\$24,071	\$205	\$24,642	\$209	\$25,105
\$ 25,000	\$251	\$30,089	\$257	\$30,803	\$262	\$31,382
\$ 30,000	\$301	\$36,107	\$308	\$36,964	\$314	\$37,658

NO FISCAL IMPACT  
ELSEWHERE

## Nebraska Community College Association

“There may be some minor expenditures for software adjustments as most of this information is already available for students. It does not appear to have major impact on existing resources.”

## Wisconsin Technical College System

“WTCS colleges will likely incur some minor costs in developing new communication or modifying existing communications to provide the annual information required to students.”