Managing your loan portfolio becomes your responsibility upon graduation from UNMC. The Financial Aid Office (FAO) and Student Loan Accounting (SLA) Office will be available to assist you with answers; however, the experts on your student loan portfolio are the loan servicers assigned to your loans by the Department of Education. This informational fact sheet can be found on our UNMC Financial Aid web site: [http://www.unmc.edu/studentservices/exit_counseling.htm](http://www.unmc.edu/studentservices/exit_counseling.htm)

Your first point of contact should be your federal student loan servicer. That information can be found on the [www.nslds.ed.gov](http://www.nslds.ed.gov) web site under the Financial Aid Review link. The loan servicer will help you manage the repayment of your federal student loans: [http://studentaid.ed.gov/repay-loans/understand/servicers](http://studentaid.ed.gov/repay-loans/understand/servicers)

UNMC will report your student status as ‘graduated’ within 10 days of your graduation date. This status will trigger your loans to begin their grace period.

**Loan Grace Period**

After you graduate, you have a period of time before you are required to begin repayment. Your Stafford Subsidized and Unsubsidized student loans have a 6 month grace period. Graduate Plus loans have an automatic 6 month deferment period. The Unsubsidized and Graduate PLUS loans will accrue interest during the 6 month grace/deferment period. If you were in student loan repayment before you started attending UNMC, the grace period on those prior loans in repayment was exhausted. Once the grace period is exhausted, it cannot be restored. You may need to begin repayment immediately on those loans; or, request forbearance until you are able to begin repayment.

**Loan Deferments**

The most important thing to remember about deferments is that you must qualify for a deferment. Each option requires a specific deferment form. The following options may qualify you for student loan deferments. Review your Master Promissory Note for details of deferment options. Also review your deferment options with your student loan servicer.

1. Re-enrollment in school at least half time.
2. Unemployment (maximum length 3 years)
3. Economic Hardship (maximum length 3 years)
4. Study in an approved graduate fellowship program
5. Military Active Duty during a war

Your loan servicer web site, found at [www.nslds.ed.gov](http://www.nslds.ed.gov) will have deferment forms available to download for completion and submission.

**Loan Forbearance**

Forbearance is a temporary postponement or reduction of payments for a period of time because you are experiencing financial difficulty. You can receive forbearance if you are not eligible for deferment. During periods of forbearance, interest accrues, and you are responsible for paying it. You may be required to pay the interest during the forbearance, in a lump sum at the end of each forbearance period, or it may be capitalized on your loan principal at the end of your forbearance period. Your loan servicer may grant forbearance in intervals of up to 12 months at a time for up to 3 years. You have to apply for forbearance through your student loan servicer. Forbearance periods are NOT automatically renewed—if you require additional periods of forbearance you must contact your loan servicer to request that benefit.

**Loan Repayment Plans**

There are SEVEN (7) repayment plans available. To insure you receive the best information regarding these plans we suggest you use the following Department of Education web site for detailed information. Again, your loan servicer will assist you with establishing your preferred plan. [http://studentaid.ed.gov/repay-loans/understand/plans](http://studentaid.ed.gov/repay-loans/understand/plans)

Many of you will choose an income based repayment plan as you begin your loan payments early next year. While you may think loan forbearance is a good option, the fact is, repayment plans based on your income is a much better way to start. Forbearance will require the payment of interest on a monthly basis—that payment can be hundreds of dollars each month. If you can’t make the monthly payment, you’ll have to make a lump sum
payment of interest at the end of the year. If you can’t make that payment, the interest is capitalized to your loan balance and the cycle starts all over again, with a higher loan balance.

Setting up a loan repayment plan based on your income will result in a payment as low as $50/month. Paying that $50/month avoids the higher monthly/annual payment of interest during forbearance. Once you start on a payment plan, you avoid future capitalization of interest.

**Loan Consolidation**

The following web site is a good starting point to review Federal Loan Consolidation options: [http://studentaid.ed.gov/repay-loans/consolidation](http://studentaid.ed.gov/repay-loans/consolidation) Loan consolidation cannot begin until you graduate. The loan consolidation can take 3-6 months to complete. If you determine loan consolidation is the path you want to take, we encourage you to start the process in June to insure the process is completed by December. If the consolidation process is NOT finalized before the end of your 6-month grace period, you will be required to begin making loan payments or request forbearance until the consolidation process is completed. Remember at the end of the 6 month grace period the interest will capitalize on your loans. If additional months of forbearance are required to complete the consolidation process, the additional interest that accrues on your loans during forbearance will be capitalized on your loans ‘again’ at the completion of the consolidation process. To avoid interest capitalizations on your loans, it is best to start the process as early as possible in your grace period.

Only the Department of Education can consolidate your FEDERAL student loans. Your loans are currently assigned to a federal loan servicer. **NEW 2014** When consolidating your loans, you will have an option of choosing a loan servicer for your consolidation. The following loan servicers are approved for loan consolidation:

SALLIE MAE: [http://go.salliemae.com/content/edServicing/federalLoans/in-grace/](http://go.salliemae.com/content/edServicing/federalLoans/in-grace/)
Great Lakes: [https://www.mygreatlakes.org/](https://www.mygreatlakes.org/)

**Loan Delinquency/Default**

Loan delinquency and default are serious loan issues. Your federal loan servicer is required to maintain active due diligence on your student loan. Part of that due diligence will be to request your personal information from UNMC if they cannot locate you. Once you graduate from UNMC you are no longer a student—your record is no longer protected by FERPA. If your loan servicer reports your loans as delinquent or in default, UNMC reserves the right to withhold UNMC services to you. Your academic record may be placed on HOLD if we are unable to provide your loan servicer with information that is current. It is essential you keep your contact information up to date on your loan accounts. When you determine who your loan servicer is, you will need to set up an account with them. This account will allow you to provide contact information; make on-line payment; or set up auto draft payments directly from your checking account. Failure to keep your contact information updated may result in deferment/forbearance denial. If your UNMC academic record is placed on HOLD, we will not process transcript requests, licensure verification, or other affidavits that require UNMC graduate/credential confirmation. The UNMC GME Officer will also be notified of your default and the release of residency completion information will also be withheld.

**Loan Rehabilitation**

The Higher Education Amendments of 1998 created a Loan Rehabilitation program for Title IV loans (Stafford/PLUS/Perkins). Under this program, you have the opportunity to request the rehabilitation of a defaulted loan. Rehabilitation is defined as follows: After making nine (9) on-time, consecutive monthly payments of an amount agreed to by your loan servicer, the loan will be returned to regular repayment status, the default will be removed from your credit history and you will again be eligible to borrow Title IV funds. Contact your loan servicer to discuss loan rehabilitation if you find yourself in loan default.

**Loan Forgiveness/Repayment/Cancellation**

The US Department of Health and Human Services offers loan repayment programs through the National Health Service Corps: [http://hhsc.hrsa.gov/loanrepayment/](http://hhsc.hrsa.gov/loanrepayment/)

The National Institute of Health (NIH) offers loan repayment up to $35,000/year, for two years, in exchange for clinical research: [http://www.lrp.nih.gov/](http://www.lrp.nih.gov/)

If you are interested in Public Service Loan Forgiveness (PSLF), review the DE website:
The loan servicing agency for Public Forgiveness is FedLoan Servicing. PSLF information can also be found on their website: http://www.myfedloan.org/. Click on Loan Forgiveness under the Manage Account and follow the links to PSLF information. Choosing the PSLF repayment option will require your student loans to be transferred to PHEAA for loan servicing.

The Nebraska Office of Rural Health offers loan repayment programs in exchange for practice in critical shortage areas of NE: www.raconline.org.

Nursing Student Loan Forgiveness Program: www.nslfp.com

Depending on your final location of practice, your new state of residence may also offer loan repayment/forgiveness programs. Google the state loan forgiveness programs for information.

**Loan Cancellation**

**Death Cancellation**
Cancellation because of the borrower’s death is based on an original or certified copy of the death certificate submitted to the federal student loan servicer. In the case of Parent PLUS Loans, the death of the student for whom the parent borrowed may also be cancelled by submitting an original/certified copy of the student’s death certificate to the student loan servicer. We encourage you to keep all your loan documents and loan servicer information with your vital records so that your family can expedite any necessary processing.

**Total and Permanent Disability Cancellation**
For total and permanent disability discharge applicants, if a physician (doctor of medicine or osteopathy) certifies that you are totally and permanently disabled and you meet certain other requirements during a three-year conditional discharge period, your loan(s) may be discharged. You may request a "Discharge Application: Total and Permanent Disability" at the following web link: https://www.myeddebt.com/borrower/PDFFrames.jsp?fileName=form.loan.discharge.total.and.permanent.disability.pdf

If you are a veteran, you will be considered totally and permanently disabled for purposes of this discharge if you provide documentation from the U.S. Department of Veterans Affairs showing that you have been determined to be unemployable due to a service-connected condition. If you provide this documentation, you are not required to have a doctor complete Section 4 of the discharge application or provide any additional documentation related to your disabling condition. Veterans who qualify under this standard are eligible for immediate discharge and are not subject to the standard discharge process that entails a three-year conditional discharge period. For more information, please visit: http://www.disabilitydischarge.com/Pages/General.aspx

**DEPARTMENT OF EDUCATION OMBUDSMAN**
If you are unable to resolve an issue with UNMC, or your loan servicer, concerning the terms of your student loan, you may contact the Department of Education Ombudsman via the internet at http://studentaid.ed.gov/repay-loans/disputes/prepare, by telephone at 877-557-2575, by fax at 1-202-275-0549 or by mail at:

US Department of Education
FSA Ombudsman Group
830 First Street, NE
Fourth Floor
Washington, DC  20202-5144

Another valuable web sites assist in managing your student loans:
The AAMC First for Residents web site: https://www.aamc.org/services/first/first_for_residents/

**Department of Education Loan Servicers:**

Have a question about Title IV federal student aid or one of the services the Department of Education provides? Contact one of the Department of Education Customer Service Centers or Federal Student Aid Offices. If you are not sure which Service Center use the link below: http://ifap.ed.gov/ifap/helpContactInformationDetailedList.jsp?lsc=1