

Quick Facts: Loan Repayment for Teachers

More info online at <https://finaid.msu.edu/repay.asp>

What should I know about loan repayment?

Your loans will go into repayment shortly after you leave school:

- 6 months for Direct (Stafford) Loans, Graduate PLUS, and for most private student loans
- 9 months for Perkins Loans

How do I find out how much I owe, and to whom?

For federal loans (Direct, Grad PLUS, and Perkins) you may log on to the National Student Loan Data System (NSLDS) at www.nsls.ed.gov and access your records. Private student loans are not included on NSLDS, so if you also have private loans, contact your lender for information.

How do I calculate what my payments will be?

Total your loans of each interest rate. If you have borrowed \$10,000 in unsubsidized Direct Stafford (6.8%), \$1000 in Perkins (5%), and \$2500 in Grad PLUS (7.9%), you can enter each one into a calculator and get a good picture of what your monthly payments would be for each loan type. A good calculator is available on the web at <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>.

If you have decided to consolidate your loans, you would combine all federal loans into a single loan with a weighted interest rate. This may or may not be to your benefit, but it would allow you to make a single payment instead of multiple payments for all of your federal loans. More information on loan consolidation can be found here: www.finaid.msu.edu/consolid.asp.

Repayment Examples

Borrowed Amount	Interest Rate	Monthly Repayment	Total Repaid
\$15,000	6.8%	\$172.62	\$20,714.40
\$20,000	6.8%	\$230.16	\$27,619.20
\$25,000	6.8%	\$287.70	\$34,524.00
All examples assume a 10-year repayment schedule			

What options are there if I can't make payments?

If you find you can't keep up with your scheduled payments, contact your lender immediately. Don't take the chance of defaulting on your loans.

You may qualify for a deferment or forbearance (the lender suspends or reduces your payments for a period of time).

If you don't qualify for deferment or forbearance, you may be able to change your repayment plan to a longer repayment (more than the standard 10 years). Although you ultimately pay more in interest, such a plan reduces your monthly payments and may be more manageable.

What special programs might I qualify for?

If you teach in full time for five consecutive years in a low-income school, you may be eligible to have a portion of your loan(s) forgiven (cancelled). If you are a highly-qualified elementary or secondary school teacher, you may receive up to \$5000 in loan forgiveness. If you are teaching as a highly qualified teacher in certain subject areas, you may be eligible for up to \$17,500. See the web site above for details on loan forgiveness programs. Learn more on the web at <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/teacher>