

Student Loan Forgiveness Initiative

This presentation is to be informative and not to promote specific products, services companies, etc. Illinois ASBO Sponsored Programs are permitted to promote products and services in accordance with the Service Associate Ethics Policy and Code of Conduct.

Introductions

Name: Alex Solove, Role: Speaker

- *Financial Consultant, AXA Advisors, Cleveland, OH*

Name: Randal Lupi, Role: Speaker

- Regional Vice President, AXA Advisors, Cleveland, OH



- 1) Student Loan and Retirement Epidemic**
- 2) AXA Student Loan Forgiveness Initiative**
- 3) Student Loan Forgiveness Programs**
- 4) Public School Retirement Benefits**
- 5) Case Study**
- 6) Leverage Loan Forgiveness For Your District**
- 7) Questions?**



PUBLIC SERVICE LOAN FORGIVENESS (PSLF): EMPLOYMENT CERTIFICATION FORM

William D. Ford Federal Direct Loan (Direct Loan) Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0110
Form Approved
Exp. Date 5/31/2020
PSECF - XBCR

SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN _____

Date of Birth _____

Name _____

Address _____

City _____ State _____ Zip Code _____

Telephone - Primary _____

Telephone - Alternate _____

Email (Optional) _____

SECTION 2: BORROWER AUTHORIZATIONS, UNDERSTANDINGS, AND CERTIFICATION

Before signing, carefully read the entire form. For more information on PSLF, visit StudentAid.gov/publicservice.

I authorize:

1. My employer or other entity having records about the employment that is the basis of my request to make information from those records available to the U. S. Department of Education (the Department) or its agents or contractors.



TEACHER LOAN FORGIVENESS APPLICATION

William D. Ford Federal Direct Loan (Direct Loan) Program
Federal Family Education Loan (FFEL) Program

OMB No. 1845-0059
Form Approved
Exp. Date 07/31/2017

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN _____

Name _____

Address _____

City, State, Zip Code _____

Telephone - Primary _____

Telephone - Alternate _____

E-mail (optional) _____

SECTION 2: LOAN FORGIVENESS REQUEST (TO BE COMPLETED BY THE BORROWER)

READ SECTIONS 7-10 BEFORE COMPLETING THE FORM. The information you provide is subject to verification.

I request forgiveness on my Direct Loan and/or FFEL program loan(s) based on my employment as a full-time teacher for at least five consecutive, complete academic years. During the period that qualifies me for loan forgiveness, I taught (check all that apply):

Student Loan & Retirement Epidemic

USNews MONEY » Investing Retirement Credit Cards Loans Personal Finance Careers Real Estate

HOME / MONEY / RETIREMENT

What Happens if We All Run Out of Money for Retirement?

Start saving now to stay prepared for a looming retirement crisis.


More than 41,000 public service workers sought federal student loan forgiveness. The government approved just 206.

Gregory Korte, USA TODAY Published 9:04 a.m. ET Dec. 27, 2018 | Updated 10:13 a.m. ET Dec. 28, 2018

This government loan forgiveness program has rejected 99% of borrowers so far

By Jillian Berman
Published: Sept 23, 2018 8:55 a.m. ET

Only 96 people are included in the first cohort of borrowers of the Public Service Loan Forgiveness program



The high rejection rate from the Public Service Loan Forgiveness program has borrower advocates concerned.

So far, roughly 99% of processed applications for forgiveness under a government program aimed at helping public servants manage their federal student-loan debt had their applications rejected.

The New Retirement Plan: Save Almost Everything, Spend Virtually Nothing

A group of younger workers, devotees of the FIRE movement, are seeking ways to duck mistakes made by prior generations

Student Loan Forgiveness Initiative

- **Student Loan Debt** - \$1.6 Trillion
 - **Auto Loan Debt** - \$1.2 Trillion
 - **Credit Card Debt** - \$900 Billion
- Educators with a loan balance of **\$50,000** are expected to make payments as high as **\$600/month** under a standard repayment plan
 - **Results:**
 - 2,500+ Employees Helped
 - \$7,200 average yearly retirement contribution
 - \$148,000,000 in forgiveness generated



Teacher Loan Forgiveness

- **Plan Requirements**

- 5 consecutive years of teaching in a Title 1 or low income school
- No loans prior to October 1st 1998

- **Forgiveness amounts**

- Math or science teacher at the secondary education level or special-ed at any level receive \$17,500 in forgiveness
- Any other subject receives \$5,000

- **Common Issues**

- Parent Plus Loans do not qualify
- School buildings changing Title 1 status year to year
- Average student loan balance carried by borrowers is drastically higher than \$17,500



Public Service Loan Forgiveness

- **Plan Requirements**

- Borrower must work full time in Public Service which is non-profit 501(c)(3), military, public schools, non-profit hospitals, or government.
- Loan repayment plan type must be one of the four IDR plans or the 10 year standard repayment
- 120 on time payments under qualifying payment plans (10 year standard or IDR plans)

- **Forgiveness amounts**

- Varies from borrower to borrower
- No limit on forgiveness and is forgiven tax free!

- **Common Issues**

- Complexity. Many borrowers don't know this plan exists or enroll incorrectly
- Tax filing status and changing income year to year
- Parent Plus Loans



Common Mistakes By Borrowers

Loans

Please click on numbers in first column to see details including contact information for your aid holders.

	Type of Loan	Loan Amount	Loan Date	Disbursed Amount	Canceled Amount	Outstanding Principal	Outstanding Interest
1	DIRECT STAFFORD UNSUBSIDIZED	\$5,424	05/09/2016	\$5,424	\$0	\$5,590	\$11
2	DIRECT STAFFORD UNSUBSIDIZED	\$500	01/02/2016	\$500	\$0	\$526	\$1
3	DIRECT STAFFORD UNSUBSIDIZED	\$6,800	09/22/2015	\$6,800	\$0	\$7,203	\$14
4	DIRECT STAFFORD UNSUBSIDIZED	\$9,800	05/01/2015	\$9,800	\$0	\$10,742	\$23
5	DIRECT STAFFORD UNSUBSIDIZED	\$4,550	01/12/2015	\$4,550	\$0	\$5,072	\$11
6	DIRECT STAFFORD UNSUBSIDIZED	\$314	08/26/2010	\$314	\$0	\$316	\$1
7	DIRECT STAFFORD UNSUBSIDIZED	\$4,898	08/13/2010	\$4,898	\$0	\$4,963	\$12
8	DIRECT STAFFORD SUBSIDIZED	\$0	08/13/2010	\$0	\$0	\$0	\$0
9	FFEL STAFFORD UNSUBSIDIZED	\$7,500	07/10/2009	\$7,299	\$201	\$7,395	\$0
10	FFEL STAFFORD UNSUBSIDIZED	\$6,500	07/02/2008	\$6,451	\$49	\$6,768	\$0
11	FFEL STAFFORD SUBSIDIZED	\$3,500	07/26/2007	\$3,500	\$0	\$2,617	\$13
Total DIRECT STAFFORD UNSUBSIDIZED						\$34,412	\$73
Total DIRECT STAFFORD SUBSIDIZED						\$0	\$0
Total FFEL STAFFORD UNSUBSIDIZED						\$14,163	\$0
Total FFEL STAFFORD SUBSIDIZED						\$2,617	\$13
Total All Loans						\$51,192	\$86

Common Mistakes By Borrowers

Amounts and Dates

Loan Amount	Outstanding Principal Balance	Outstanding Principal Balance As of Date	Outstanding Interest Balance	Outstanding Interest Balance As of Date	Interest Rate Type	Interest Rate	Canceled Amount	Canceled Date
\$5,424	\$5,590	11/30/2016	\$11	11/30/2016	FIXED	5.59%	\$0	N/A
Most Recent Pay. Eff. Date	N/A	Cumulative Payment Amount	\$0	Repayment Plan Type	INCOME-BASED REPAYMENT		PSLF Cumulative Matched Months	0

Disbursement(s) and Status(es)

Disbursement Date	Disbursement Amount	Loan Status	Status Description	Status Effective Date
05/09/2016	\$5,424	RP	IN REPAYMENT	11/17/2016
		IG	IN GRACE PERIOD	05/17/2016
		IA	LOAN ORIGINATED	05/09/2016

Servicer/Lender/Guaranty Agency/ED Servicer Information

Contact Type	Contact
Current ED Servicer:	DEPT OF ED/GREAT LAKES PO BOX 530229 ATLANTA GA 303530229 800-236-4300 https://mygreatlakes.org

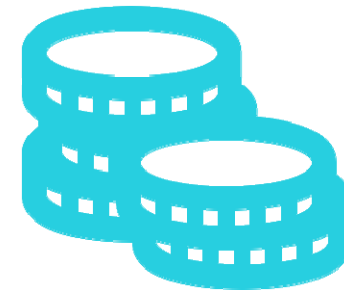
Retirement Benefits

401(a) Defined Benefit Plan

403(b) & 457(b) Plans

Benefits include:

1. Tax advantages
2. Supplement State pensions/social security
3. Auto payroll deducted



Case Study

Leverage Student Loan Forgiveness For Your District!



LET'S TALK ABOUT IT



Questions and Answers

We thank you for your time!