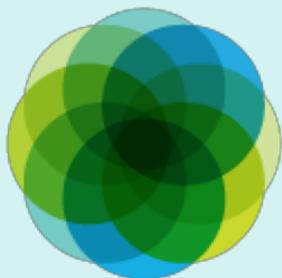


Navigating Student Loan Solutions with Survivors

January 30th, 2019
2:00 – 3:30pm EST



**CENTER FOR SURVIVOR
AGENCY & JUSTICE**

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Faculty Today



Persis Yu, J.D.

Staff Attorney & Director
of the Student Loan
Borrower Assistance
Project

***National Consumer Law
Center***

Hosted By: Erika Sussman, Sara Wee & Yvette Butler, CSAJ

Objectives

After today's training, you should walk away:

- Familiar with how student loans impact survivors and their families.
- Able to issue-spot the kinds of loans survivors have and potential problems.
- Able to discuss the special pitfalls or challenges survivors face when getting into income driven repayment plans.
- Equipped with strategies to address challenges, from discussion and case scenarios

What We Will Cover

- Introduce the student loan crisis and debt issue
- Overview of the student loan system
- Describe options and common issues the show up for survivors
- Review in-depth strategies to get survivors out of default and into income driven repayment plans

Before we begin...

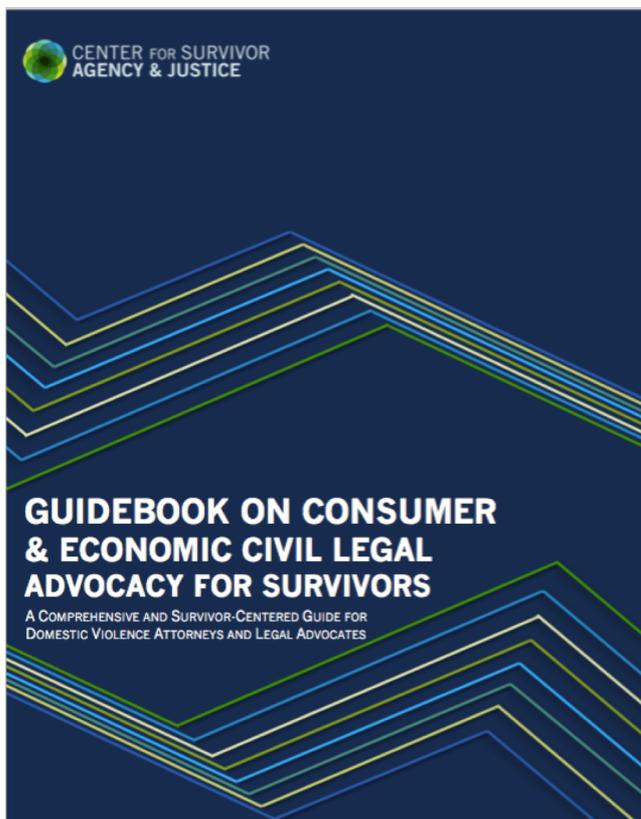


Are you doing innovation work in this area? Other economic or consumer work?

We want to Spotlight you!

- ▣ **Purpose:** Spotlights are a Peer Exchange opportunity to share best-practices in consumer and economic advocacy with the field.
- ▣ Interested? **Complete this form** <https://goo.gl/forms/jDpmAlQKDZqpoG3t2>

Using the Guidebook



<https://csaj.org/Guidebook>

1. Introduction: Economic Coercion and Survivor-Centered Economic Advocacy
2. Credit Reporting & Repair for Survivors
3. Credit Discrimination & Predatory Lending
4. Debt, Debt Defense, and Safety Considerations for Survivors
5. Identity Theft
6. Navigating Student Loan Solutions
7. Bankruptcy & Alternatives
8. Foreclosure
9. Tax Advocacy
10. Consumer Issues in Family Law
11. Using the Civil Protection Order as a Tool for Economic Justice
12. Civil Court Barriers
13. Housing Protections
14. Workplace Discrimination & Advocacy
15. Criminal Records & Employment Rights

Using the Guidebook: Survivor Stories

Anne's Story

Consider Anne's story as you think about the connection between abuse and student loans.

Anne took out a subsidized and an unsubsidized Stafford Loan and a Perkins loan to support her undergraduate education, but dropped out after one year of school when she became pregnant by her then-boyfriend, Ben. They are now married. Ben's abuse started shortly after the birth of their first child. He is their sole source of income, and they now have four children to support. Since leaving school, Anne has not been able to obtain a job due to Ben's abuse and her need to care for the children. After a recent physical assault by Ben, Anne fled to a shelter with her children. While helping her kids adjust she has also begun seeking employment.

Since her student loans came due for repayment, Anne has not been able to make consistent payments. Though she is not exactly sure when she made her last payments, Anne does not believe she is in default yet. Ben controls the finances, makes all the tax filings, keeps records of Anne's personal information (social security number, etc.), and has prevented Anne's access to such information in the past. Anne is unfamiliar with her financial or tax information and does not know how to access that information readily. She comes to you, hoping for help in getting a handle on all her finances. To make ends meet, she knows she may need to return to school in the future and so is worried about how to pay for her current loans.

Think About It

How are the student loans affecting Anne's financial situation right now? What are her financial priorities to keep her and her children safe? What are her financial goals? What else do you want to know about her and her relationship with Ben to assist your advocacy? Are there any cultural considerations you need to know more about to assist your advocacy?

Diverse survivor stories bring content areas into focus and center the challenges, strengths and opportunities of survivor centered economic advocacy.



Using the Guidebook: Issue Spotting & “Think about it”

The following information can help guide interactions with the survivor:

- Do you know what kind of loan(s) you have (and use the National Student Loan Data System (NSLDS) to confirm)?
Note: The difference between federal and private loans is not always clear because the same lender may make both kinds of loans. Since the NSLDS only lists federal loans, determining that a loan is listed in the NSLDS is a way of verifying that it is a federal loan. The borrower’s promissory note will also state the federal loan program under which the loan was extended if it is a federal loan.
- What is the status of your loans (e.g., current, delinquent, default, in forbearance or deferment)? If the loan is a federal loan, the NSLDS will show its current status.
- How much do you still owe? What are the monthly payments? Do you remember the date of the last payment?
- [If the survivor is married] Do or did you and your spouse file taxes jointly or separately? Who controls the household finances, tax filings, etc.?
- What is your current income, family size, and financial ability?
- Has the lender tried to seek repayment from you?
- Where and when did you go to school? Did you finish or have problems with the school?
- Are you trying to go back to school? Would you need more loans to do so? If so, then avoiding or getting out of default is critical.
- Have you ever filed for bankruptcy?
- Are you a veteran or have a disability?

Practice Tip

For survivors who have changed their name, especially those who have not engaged with their loans since being in school, many loan documents will be in the name used when the survivor was in school. Depending on the reason for the name change, this can be a sensitive issue for survivors.

Assessment questions throughout help frame, guide, and deepen survivor centered economic advocacy (SCEA)

“Think About It” sections challenge readers to broaden perspectives on SCEA

Focus on how intersectional identities impact SCEA



Using the Guidebook: Practice Tips

Easily located information

Clear practice tips

- Direct, hands on practice ideas for effective SCEA with survivors
- Tips come from practitioners in the working in the field



Standard, graduated, and extended repayment plans

Under the standard repayment plan, monthly payments will be the same amount for each installment period and will only change if there is a variable interest rate. Standard plans carry the highest monthly payments, and generally, borrowers must pay within five to ten years. Borrowers who do not select a different repayment plan within the allotted time period will be automatically assigned the standard repayment plan. Under the graduated repayment plan, monthly payments start out low and increase over the course of the repayment period. For most borrowers, income-driven repayment plans are a safer option because they base payments on actual income, rather than an expectation of reliable raises, and they reduce payments if income drops. The extended repayment plan applies to borrowers with a loan exceeding \$30,000. Under this plan, the borrower may repay on either a fixed or graduated scale for longer than ten years, but no more than 30 years.

Practice Tip

Beware of “Student Loan Relief” companies. Predatory companies have targeted borrowers, particularly low-income and vulnerable borrowers, by claiming to provide a service to aid borrowers in applying for reduced loan payments. These companies often charge excessive fees and may falsely hold themselves out to be authorized agents of the federal government. Applying for reduced loan payments on a federal student loan is free, and can be done online using the Department of Education’s website or with help from the borrower’s loan servicer. Similarly, applying for a federal loan discharge is free. Be wary of any company your client may have paid to aid in applying for relief.

Navigating Student Loan Solutions with Survivors

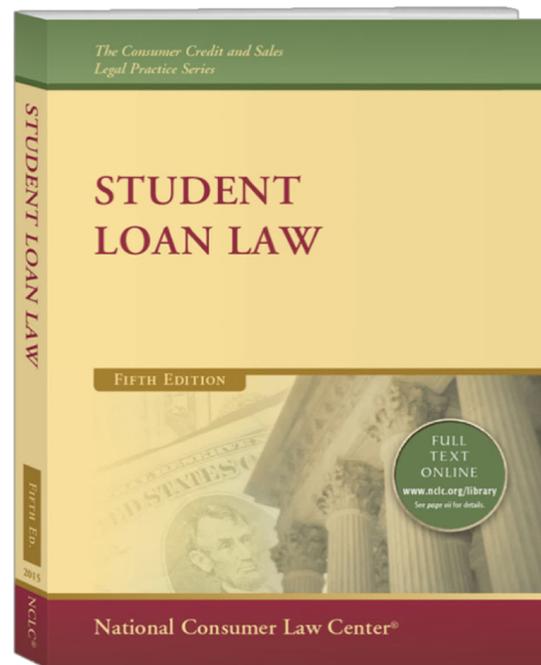
January 30, 2019

Persis Yu

National Consumer Law Center

National Consumer Law Center's Student Loan Borrower Assistance Project

- Listserv
- Student Loan Borrower Assistance
 - www.studentloanborrowerassistance.org/
- Manual and other publications
 - Updates at library.nclc.org
- Case consultations
- Policy advocacy



The Student Loan Crisis

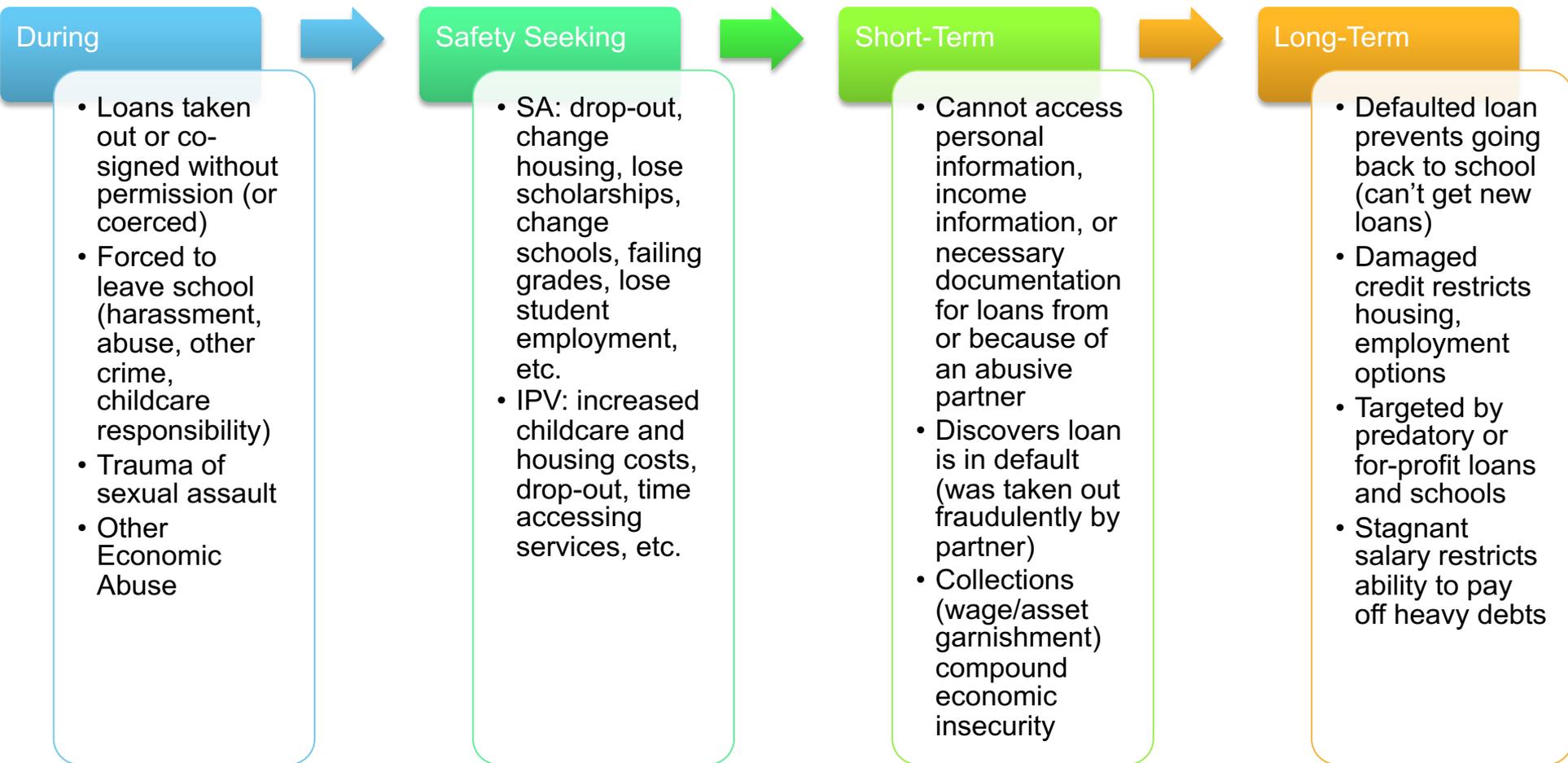
- \$1.5 trillion of debt
 - Women hold nearly two-thirds of the outstanding student debt
- 43 million student loan borrowers
 - ~1 in 5 adults in US
- 8 million are in default
 - Women of color disproportionately report experiencing difficulty repaying student loans
 - Half of all loan defaults are for less than \$10,000

Student Loan Debt

- Importance of continuing education
- Cannot get new federal loans or grants if in default on previous federal loan
- Federal government tools for collecting defaulted student loans include:
 - Garnishing wages
 - Intercepting tax refund
 - Offset of benefits
- Addressing loan problems
 - Discharge
 - Forbearance/Deferments
 - Consolidation or Rehabilitation for loans in default



“Economic Ripple Effect”



Shoener & Sussman. (2013). Economic Ripple Effect of IPV: Building Partnerships for Systemic Change. *Domestic Violence Report*. Aug/Sept, 83-95.

Yu, (2016). Navigating Student Loan Solutions for Survivors. *CSAJ Guidebook on Economic & Consumer Civil Legal Advocacy for Survivors*. Retrieved from: <https://csaj.org/Guidebook>

Poll: Experience w/ Student Loan Borrowers

- Do you help clients with a student loan issue? How often?
 - Yes, all the time
 - Yes, sometimes
 - Yes, once or twice
 - Never



CHAT: What are you seeing?

How do student loan concerns show up in your work with survivors?



Overview

- Assessing the Client's Situation
 - Figuring Out What Type of Loan a Client Has
 - Consequences of Default
- Some options for resolving student loan issues:
 - Getting out of Default
 - Income Driven Repayment Plans and Forgiveness Options
- Common Problems and Complaints

Types of Student Loans

Examples

Federal Loans

- Direct Loans
- Federal Family Education Loan Program (FFEL)
- Perkins
- Includes Stafford, Subsidized, Unsubsidized, PLUS loans

Private Loans

- Loans directly from school (may require payment during school)
- Educational loan from bank (e.g., Sallie Mae Bank, Bank of America, or other financial services company)

Where to Determine the Type of Loan

- Check Promissory Note
- Check federal student loan database:
www.nslds.ed.gov

- Check Promissory Note

-Check your free annual credit report at:
www.annualcreditreport.com

Federal Student Loans

- Check out the National Student Loan Data System (NSLDS) report (www.nslds.ed.gov)
 - Get Federal Student Aid ID before meeting with client (www.fsaaid.ed.gov)
 - SAFETY TIP: Accessing NSLDS does not create a record
- Federal loan promissory notes and applications will state the name of the federal loan program at the top of monthly bill and loan contract.

Direct Loans Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan
Master Promissory Note
William D. Ford Federal Direct Loan Program

OMB No. 1845-0007
Form Approved
Exp. Date 02/29/2016

SECTION A: BORROWER INFORMATION READ THE INSTRUCTIONS IN SECTION G BEFORE COMPLETING THIS SECTION

1. Driver's License State and No. 2. Social Security No.
3. E-mail Address (optional)
4. Name and Permanent Address (see instructions) 5. Date of Birth (mm-dd-yyyy)
6. Area Code/Telephone No.

7. References: List two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

| Name | 1. | 2. |
|---------------------------|-----------|-----------|
| Permanent Street Address | _____ | _____ |
| City, State, Zip Code | _____ | _____ |
| E-Mail Address (optional) | _____ | _____ |
| Area Code/Telephone No. | () _____ | () _____ |
| Relationship to Borrower | _____ | _____ |

Federal Family Education Loan Program (FFELP)
Federal Stafford Loan
Master Promissory Note

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

Borrower Information

| | | |
|--|------------|----------|
| 1. Last Name | First Name | |
| 3. Permanent Street Address (if P.O. Box, see instructions.) | | |
| City | State | Zip Code |

Practice Tip: When Someone Else Created the FSA ID

- Borrowers should create their own FSA IDs
 - SAFETY TIP: Be sure to use safe contact information
- FSA IDs may have been created by:
 - Abuser
 - Debt relief scammers
 - Other 3rd Parties
- Borrowers can get locked out of accounts
 - Call 1-800-4-FED-AID to reset



NSLDS

Federal Student Aid

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NSLDS STUDENT ACCESS

National Student Loan Data System

Retrieve Your Loan Information

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.

Financial Aid Review

View your federal loans, grants, and aid overpayments.

Enrollment

View your current enrollment, or let NSLDS know about future enrollment.

Subsidized Usage

View the status of your loans that are subject to subsidized usage limits.

Your Contact Information

View or add your contact information.

Exit Counseling

Complete exit counseling for your TEACH grant.

Authorization

Authorize a loan servicer to view your information on the NSLDS Professional Access site.

Glossary of Terms

Find definitions of the terms used on this site.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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Log in

Enter your username and password and select LOG IN if you already have an FSA ID. If you do not have an FSA ID, select the Create An FSA ID tab.

[Log in to NSLDS](#)

[Create an FSA ID](#)

[Manage My FSA ID](#)

Please enter your:

Username (or Verified E-mail
Address)

[Forgot My Username](#)

Password

[Forgot My Password](#)

[LOG IN TO NSLDS >](#)



START HERE
 GO FURTHER
 FEDERAL STUDENT AID™

National Student Loan Data System (NSLDS) for Students

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Defaulted

Aid Summary for **JOSEPH C**

Your enrollment status is **WITHDRAWN**, effective **08/22/2006**.

Authorization

Loans

Please click on number in first column to see details

| | Type of Loan | Loan Amount | Loan Date | Disbursed Amount | Canceled Amount | Outstanding Principal | Outstanding Interest |
|---|----------------------------------|-------------|------------|------------------|-----------------|-----------------------|----------------------|
| 1 | DIRECT CONSOLIDATED SUBSIDIZED | \$979 | 01/17/2011 | \$979 | \$0 | \$963 | \$14 |
| 2 | DIRECT CONSOLIDATED UNSUBSIDIZED | \$1,472 | 01/17/2011 | \$1,473 | \$0 | \$1,448 | \$21 |
| 3 | DIRECT CONSOLIDATED UNSUBSIDIZED | \$1,436 | 10/12/2009 | \$1,436 | \$0 | \$0 | \$0 |
| 4 | DIRECT CONSOLIDATED SUBSIDIZED | \$955 | 10/12/2009 | \$955 | \$0 | \$0 | \$0 |
| 5 | STAFFORD UNSUBSIDIZED | \$4,000 | 06/22/2006 | \$1,334 | \$2,666 | \$0 | \$0 |
| 6 | STAFFORD SUBSIDIZED | \$2,625 | 06/22/2006 | \$875 | \$1,750 | \$0 | \$0 |
| 7 | STAFFORD UNSUBSIDIZED | \$4,000 | 09/26/2001 | \$2,000 | \$2,000 | \$2,277 | \$1 |
| 8 | STAFFORD SUBSIDIZED | \$2,625 | 09/26/2001 | \$732 | \$1,893 | \$800 | \$1 |
| 9 | STAFFORD UNSUBSIDIZED | \$4,000 | 04/04/2001 | \$4,000 | \$0 | \$4,674 | \$1 |
| 10 | STAFFORD SUBSIDIZED | \$2,625 | 04/04/2001 | \$2,625 | \$0 | \$2,872 | \$1 |
| Total DIRECT CONSOLIDATED SUBSIDIZED | | | | | | \$963 | \$14 |
| Total DIRECT CONSOLIDATED UNSUBSIDIZED | | | | | | \$1,448 | \$21 |
| Total STAFFORD UNSUBSIDIZED | | | | | | \$6,951 | \$2 |
| Total STAFFORD SUBSIDIZED | | | | | | \$3,672 | \$2 |
| Total All Loans | | | | | | \$13,034 | \$39 |



National Student Loan Data System (NSLDS) for Students

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Detail Loan Information for Your enrollment status is **FULL TIME**, effective

Type of Loan: **2 STAFFORD SUBSIDIZED** [Prev](#) [Next](#)
 Loan obtained while attending the

Scheduled Start of Repayment:
 Loan Period Begin Date:
 Loan Period End Date:

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 | Canceled Amount | Canceled Date |
|-------------|-------------------------------|--|------------------------------|---|---------------|-----------------|---------------|
| \$2,000 | \$2,000 | | \$0 | | FIXED | \$0 | |

Disbursement(s) and Status(es)

| Disbursement Date | Disbursement Amount | Loan Status | Status Description | Status Effective Date |
|-------------------|---------------------|-------------|--------------------|-----------------------|
| | \$1,000 | IA | LOAN ORIGINATED | |
| | \$1,000 | | | |

Service/Lender/Guaranty Agency Information

| Contact Type | Contact |
|--------------------------|---|
| Current Servicer: | UTAH STATE BOARD OF REGENTS LSC BOARD OF REGENTS' BUILDING 60 S 400 W SALT LAKE CITY UT 84101 877-336-7378 uheaa@utahsbr.edu uheaa.org |
| Current Lender: | CHESAPEAKE BANK 834493 1001 17TH STREET DENVER CO 802020000 |
| Current Guaranty Agency: | UTAH HIGHER EDUCATION ASSISTANCE AUTH. THE GATEWAY, BOARD OF REGENTS BUILDING 60 S 400 W SALT LAKE CITY UT 841011284 877-336-7378 uheaa@utahsbr.edu uheaa.org |

Federal Direct v. FFEL

- Federal Direct Loans are made directly by the federal government.
- Federal Family Education Loans (FFELs) are guaranteed loans made by private lenders.
 - No more new FFELs after July 2010.
 - Loans made prior to 2010 still out there.
- FFELs often confused with private loans.
 - Made by same or similar private lenders.

Figuring Out the Type of Loan (cont'd)

- Private loans have TILA disclosures and often high interest rates.
- No co-signers for federal loans.
- Private loans not on NSLDS.
 - Check credit report or get a copy of the promissory note

Introducing Laura

- Laura is a single mother supporting 3 children working a full-time minimum wage job.
- She is still married to her abuser but living separately.
- Laura is overwhelmed by threatening letters and phone calls from FH Cann about a student loan.
- They are saying they will take her wages and her tax refund.
- She wants to know if they can do that.



Think About It:

- What do you need to know/ask?
 - What do you want to know about Laura's safety?
 - What do we want to know about Laura's strengths?
 - What do you want to know about Laura's financial situation?
- What can you do to assist?
 - What information does Laura need?
 - What tools can you provide?
 - Who else can you enlist to help?
- How would this look different for survivors from marginalized communities? (e.g. immigrant, LGBTQI+)





Loans

| | Type of Loan | Loan Amount | Loan Date | Disbursed Amount | Canceled Amount | Outstanding Principal | Outstanding Interest |
|----------------------------------|------------------------------|-------------|------------|------------------|-----------------|-----------------------|----------------------|
| 1 | FFEL STAFFORD UNSUBSIDIZED ⚠ | \$1,904 | 10/09/2009 | \$1,904 | \$0 | \$1,894 | \$316 |
| 2 | FFEL STAFFORD UNSUBSIDIZED ⚠ | \$4,000 | 10/09/2009 | \$4,000 | \$0 | \$4,773 | \$795 |
| 3 | FFEL STAFFORD SUBSIDIZED ⚠ | \$3,500 | 10/09/2009 | \$3,500 | \$0 | \$3,630 | \$479 |
| Total FFEL STAFFORD UNSUBSIDIZED | | | | | | \$6,667 | \$1,111 |
| Total FFEL STAFFORD SUBSIDIZED | | | | | | \$3,630 | \$479 |
| Total All Loans | | | | | | \$10,297 | \$1,590 |

Grants

Pell Lifetime Eligibility Used: 100.000%

| | Award Year | Type Of Grant: | School | Disbursed Amount |
|------------------|-------------|--------------------|-------------------|------------------|
| 1 | 2009 - 2010 | FEDERAL PELL GRANT | EVEREST INSTITUTE | \$5,350 |
| Total All Grants | | | | \$5,350 |

Information contained on these pages reflects the most current data in the NSLDS database. The data contained on this site is for general information purposes and should not be used to determine eligibility, loan payoffs, overpayment status, or tax reporting. Please consult the Financial Aid Officer at your school or the specific holder of your debts for further information.



Type of Loan: **1** **FFEL STAFFORD UNSUBSIDIZED**
 Loan obtained while attending the **EVEREST INSTITUTE**

Date Entered Repayment: **01/27/2011**
 Next Payment Due Date: **N/A**
 Loan Period Begin Date: **09/29/2009**
 Loan Period End Date: **07/26/2010**
 Income-Driven Repayment Plan Anniversary Date: **N/A**



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 |
|----------------------------|-------------------------------|--|------------------------------|---|--------------------|--------------------------------|-----------------|---------------|
| \$1,904 | \$1,894 | 03/03/2016 | \$316 | 03/03/2016 | FIXED | 6.80% | \$0 | N/A |
| Most Recent Pay. Eff. Date | N/A | Cumulative Payment Amount | \$0 | Repayment Plan Type | STANDARD REPAYMENT | PSLF Cumulative Matched Months | 0 | |

Disbursement(s) and Status(es)

| Disbursement Date | Disbursement Amount | Loan Status | Status Description | Status Effective Date |
|-------------------|---------------------|-------------|-----------------------|-----------------------|
| 04/13/2010 | \$952 | DF | DEFAULTED, UNRESOLVED | 08/05/2013 |
| 10/29/2009 | \$952 | RP | IN REPAYMENT | 09/25/2012 |
| | | FB | FORBEARANCE | 04/05/2012 |
| | | RP | IN REPAYMENT | 02/24/2012 |
| | | DA | DEFERRED | 02/24/2011 |
| | | RP | IN REPAYMENT | 01/27/2011 |
| | | IG | IN GRACE PERIOD | 07/27/2010 |
| | | IA | LOAN ORIGINATED | 10/09/2009 |

Servicer/Lender/Guaranty Agency/ED Servicer Information

| Contact Type | Contact |
|----------------------|--|
| | U.S. DEPT OF EDUCATION/2009-2010 LPCP |
| Current Lender: | 830 FIRST ST. NE WASHINGTON DC 202020000 |
| Current ED Servicer: | DEBT MANAGEMENT AND COLLECTIONS SYSTEM U.S. DEPARTMENT OF EDUCATION P.O. BOX 5609 GREENVILLE TX 75403 |

Quiz

- Does Laura have a FFEL or Direct Loan?
 - FFEL
 - Direct



What did we know about Laura?

- Has several FFEL federal student loans
- She went to Everest Institute
- Her loans are in default
- Her loans are with Dept. of Education's Debt Management and Collections System
- But can they do what they are threatening to do?



Federal Student Loan Default

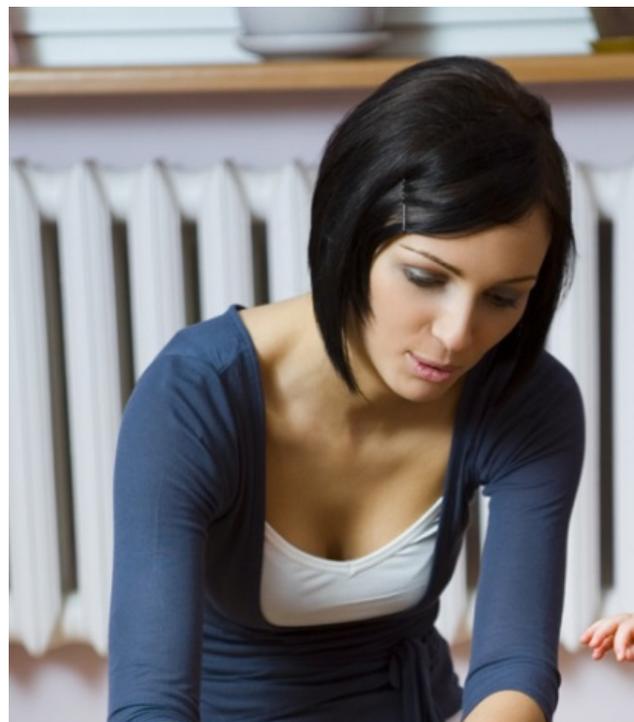
- Governed by the Higher Education Act (20 U.S.C. § 1070 et seq.)
- After 270 days, loan goes into default
 - Accelerates loan, 100% of loan is due
- Collection of loan is sent to private third-party debt collectors
 - Borrowers often subject to aggressive and, sometimes, illegal collection tactics
- Excessive collection fees – up to 25%
- Default reported to credit reporting agencies
- Prohibited from taking out new federal loans or grants

Government Collection Powers

- The government can pursue borrowers forever.
- The government has extraordinary collection powers (without a court order).
 - Tax Refund Offset
 - Administrative Wage Garnishment
 - Federal Benefits Offset (except SSI)
 - Authorized by HEA and Debt Collection Improvement Act (31 U.S.C. § 3701 et seq.)
- Litigation (rare)

Quiz

- Can FH Cann take Laura's tax refund and wages?
 - Yes
 - No
 - Who is FH Cann?



The Good News

There is almost always something an advocate or counselor can do to assist a borrower with their federal loans.

NCLC can work with borrowers to get out of default and make their payments affordable.

CHECKLIST for Federal Student Loans

Key Options—In order of most complete remedy

1. Cancellation
2. Affordable repayment plan (may need to get out of default)
3. Deferment or other postponement
4. Compromise or settlement
5. Challenge collection



Loan Cancellation

- School-Related
 - Closed School
 - False Certification
 - Borrower Defense
- Death and Disability
- Profession-Related (such as Public Service Loan Forgiveness)
- Bankruptcy (difficult but not impossible)

For More Info:

<https://www.studentloanborrowerassistance.org/loan-cancellation/>

Ch. 10 Student Loan Manual

Student Loan Advocacy Assessment

- What are Laura's top concerns about her student loan situation?
- How are her student loans impacting her financial situation?
- What are her short, medium and long term goals around student loans? Education?
- How is/has her partner impacted your student loans? Education?
- How stable is Laura's current situation?

Getting Out of Default and Repayment Options

3 Ways to Get Out of Default



Loan Rehabilitation



Loan Consolidation



Repayment in Full

Reasons for Survivors to Get Out of Default

- Eligibility for new loans or grants
- Eligibility for affordable repayment plans, deferment, etc.
- Improvements to credit report
- No longer subject to garnishment of wage or social security benefits or to tax refund seizures

Reasons for Survivors NOT to Get Out of Default

- May be required to make regular payments
- Current situation may not be stable enough
 - Limits to number of times a borrower can get out of default
- Borrower may not be eligible

**Think about it: How would you assess this?
How else does student loan debt come up
in your advocacy?**



Consolidation Out of Default

- Direct Consolidated Loan
- Similar to refinancing
- To qualify:
 - Make three payments OR
 - Agree to repay using income-driven repayment
- Apply online at studentloans.gov
- Up to 18.5% collection fees added
 - In general, if the borrower does a forced-IDR consolidation, the collection fees charged will be \$150
- Ineligible if judgment on loans or are subject to wage garnishment

Rehabilitation

- Borrowers must make 9 timely payments during a period of 10 consecutive months
- Monthly payments should be reasonable and affordable
 - Use IBR 15% formula
 - \$5 minimum
- Up to 16% Collection Fees can be added
 - For Department-held loans, the only collection fees are approximately 20% of each of the nine rehabilitation payments
- Ineligible if judgment on loans
- Will end wage garnishment after 5 payments

Consolidation vs. Rehabilitation

Main benefit to Rehabilitation:

- Benefit to Credit Report
 - Removed record of default
 - But NOT repayment history
- Preserves defenses
- Can end a wage garnishment

Consolidation vs. Rehabilitation

Benefits to Consolidation:

- Faster (2-3 months)
- Simultaneously apply for income-driven repayment
- Can convert FFEL loans to Direct loans
 - Access REPAYE
- No need to deal with debt collectors

Some Things are the Same

- Subject to collection fees
- One time deal
 - (Note one-time provision for rehab applies on or after 8/14/08)

CHAT: What are you seeing?

What challenges do you face in your advocacy with survivors?

What has worked well?



CHOOSING A REPAYMENT PLAN

Poll: Income Driven Repayment

- Have you heard of income driven repayment?
 - Yes, I know all about it
 - Yes, heard of it but don't know much
 - No

Please explain your response in the chat.

Borrower's Out of Default: Repayment Options

- Borrowers typically have a standard (10 year) repayment plan
 - Longer for consolidated loans
- Extended Repayment
- Graduated Repayment
- Income-Driven: IBR, ICR, PAYE, and REPAYE

Most common federal student loan repayment plans at a glance

| Plan | Loan program eligibility | Payment and time frame | Basic details |
|---|--|--|--|
| Standard | <ul style="list-style-type: none"> • Direct (<i>undergrad and grad</i>) • FFELP (<i>undergrad and grad</i>) • Parent PLUS | <ul style="list-style-type: none"> • Fixed payments • 10 years | <ul style="list-style-type: none"> • Borrower usually pays less interest than other plans |
| Income-Based Repayment (IBR) | <ul style="list-style-type: none"> • Direct (<i>undergrad and grad</i>) • FFELP (<i>undergrad and grad</i>) | Borrowers before July 1, 2014: <ul style="list-style-type: none"> • 15% of discretionary income • Repayment up to 25 years Borrowers after July 1, 2014: <ul style="list-style-type: none"> • 10% of discretionary income • Repayment up to 20 years | <ul style="list-style-type: none"> • Must have partial financial hardship • Outstanding balance forgiven after 20-25 years • Monthly payment rises and falls with changing income • Monthly payment will not exceed more than standard payment • Payments could be as low as \$0/month |
| Pay As You Earn (PAYE) | <ul style="list-style-type: none"> • Direct (<i>undergrad and grad</i>) | <ul style="list-style-type: none"> • Must have a new loan taken out after Oct. 1, 2011 <i>and</i> not have borrowed before Oct. 1, 2007 • 10% of discretionary income • Up to 20 years | <ul style="list-style-type: none"> • Must have partial financial hardship • Outstanding balance forgiven after 20 years • Monthly payment rises and falls with changing income • Monthly payment will not exceed more than standard payment • Payments could be as low as \$0/month |
| Revised Pay As You Earn (REPAYE) | <ul style="list-style-type: none"> • Direct (<i>undergrad and grad</i>) | <ul style="list-style-type: none"> • 10% of discretionary income • Up to 20 years (<i>undergrad</i>) or 25 years (<i>grad</i>) | <ul style="list-style-type: none"> • Does not require partial financial hardship • Outstanding balance forgiven after 20-25 years • Monthly payment rises and falls with changing income • Monthly payment could eventually be higher than standard payment • Payments could be as low as \$0/month |

For more details, please visit www.StudentAid.gov/IDR

Note: If you have a FFELP student loan, but are interested in an income-driven repayment plan only offered to Direct Loans, such as PAYE or REPAYE, you can consolidate your FFELP loan into a Direct Loan to help you qualify for an IDR plan.

IDR—In Brief

- 10-15% of discretionary income (the difference between AGI and 150% of poverty)
 - ICR is 20% of discretionary income
- Loan forgiveness after 20-25 years
 - Amount forgiven is taxable
- Many borrowers can apply online at studentloans.gov
- Parent PLUS not eligible!

Eligibility for specific IDR plans depends upon:

- FFEL or Direct Loans
- Debt-to-income ratio
- Borrowing dates



Federal Direct Loans

Pay As You Earn
REPAYE
IBR for new
borrowers

Public Service
Loan Forgiveness

Standard
Graduated
Extended
Original IBR

FFEL

Private
Loans

*Special rules for defaulted, Parent PLUS,
Perkins, and Consolidation Loans



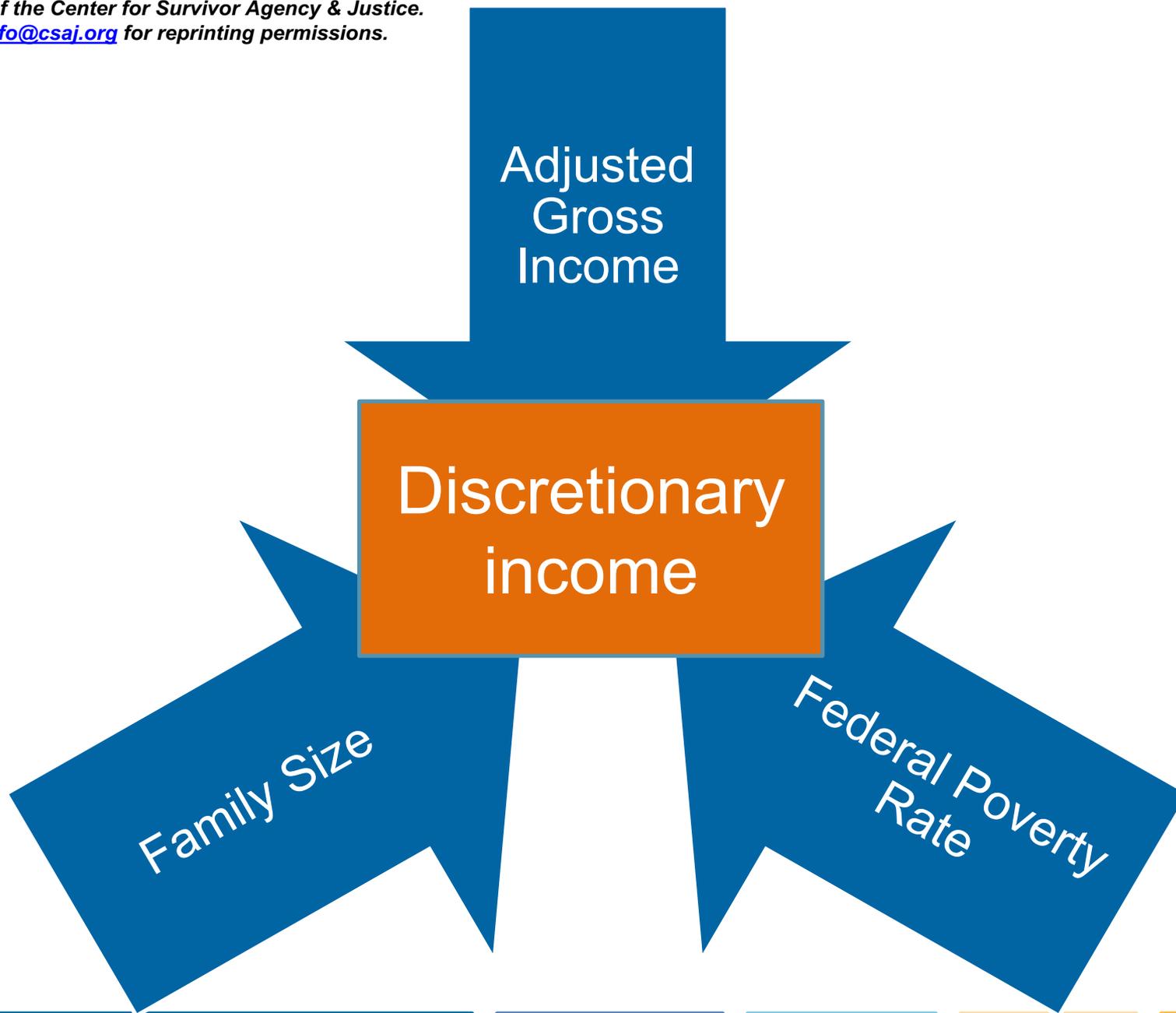
Quiz

- Which Plan is Laura Eligible for?
 - IBR
 - REPAYE
 - IBR & REPAYE
 - It Depends



Loans

| | Type of Loan | Loan Amount | Loan Date | Disbursed Amount | Canceled Amount | Outstanding Principal | Outstanding Interest |
|----------------------------------|-------------------------------|-------------|------------|------------------|-----------------|-----------------------|----------------------|
| 1 | FFEL STAFFORD UNSUBSIDIZED ⚠️ | \$1,904 | 10/09/2009 | \$1,904 | \$0 | \$1,894 | \$316 |
| 2 | FFEL STAFFORD UNSUBSIDIZED ⚠️ | \$4,000 | 10/09/2009 | \$4,000 | \$0 | \$4,773 | \$795 |
| 3 | FFEL STAFFORD SUBSIDIZED ⚠️ | \$3,500 | 10/09/2009 | \$3,500 | \$0 | \$3,630 | \$479 |
| Total FFEL STAFFORD UNSUBSIDIZED | | | | | | \$6,667 | \$1,111 |
| Total FFEL STAFFORD SUBSIDIZED | | | | | | \$3,630 | \$479 |



Calculating the IDR Amount

| | Pre-July 2014 IBR | REPAYE/PAYE/Post-July 2014 IBR |
|-----------------------------------|-------------------|--------------------------------|
| Borrower's AGI | \$45,000.00 | \$45,000.00 |
| Subtract 150% of Federal Poverty* | – \$30,630.00 | – \$30,630.00 |
| | | |
| Difference = | \$14,370.00 | \$14,370.00 |
| Multiply by repayment formula | x 15% | x 10% |
| | | |
| Annual Repayment = | \$2155.50 | \$1437.00 |
| Divide by 12 months | ÷ 12 | ÷ 12 |
| | | |
| Monthly payment = | \$179.63 | \$119.75 |
| | | |
| *Assuming a family size of 3 | | |

Payment Calculators

- Links on SLBA site
- ED calculators:
 - <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>

| Repayment Plan | First Monthly Payment | Last Monthly Payment | Total Amount Paid | Projected Loan Forgiveness ⓘ | Repayment Period |
|-------------------------------------|-----------------------|----------------------|-------------------|------------------------------|------------------|
| Standard ⓘ | \$207 | \$207 | \$24,817 | \$0 | 120 months |
| Graduated ⓘ | \$119 | \$358 | \$26,705 | \$0 | 120 months |
| Revised Pay As You Earn (REPAYE) ⓘ | \$0 | \$29 | \$517 | \$31,155 | 300 months |
| Pay As You Earn (PAYE) ⓘ | \$0 | \$0 | \$0 | \$42,412 | 240 months |
| Income-Based Repayment (IBR) ⓘ | \$0 | \$43 | \$775 | \$47,747 | 300 months |
| IBR for New Borrowers ⓘ | \$0 | \$0 | \$0 | \$42,412 | 240 months |
| Income-Contingent Repayment (ICR) ⓘ | \$0 | \$188 | \$30,275 | \$21,140 | 300 months |

Married student loan borrowers must choose:

- File taxes **jointly** and have monthly payment based on joint AGI and **combined student debt**,
or
- File taxes **separately** and have monthly payment based on individual AGI and **individual student debt** (except under REPAYE)
- Borrowers who are legally married but separated are treated as single



Poll: Client Access to Spouses Income

- Have you worked with clients who do not have access to their spouse's income?
 - Yes
 - No



Old IBR

15% of
joint or
separate
income

New IBR

10% of
joint or
separate
income

PAYE

10% of
joint or
separate
income

REPAYE

10% of
income

Always
based on
BOTH
spouses'
income



Married Borrowers

- Servicers generally ask for spouse information regardless of filing status
- **EXCEPTION:**
 - Borrowers can self-certify that they are unable to access their spouses information

IDR Annual Recertification

- Must “recertify” annually
 - Provide current income and family size
 - If fail to do so on time, payments can go way up!
- Biggest challenge with keeping low-income borrowers in affordable repayment plans
- Can recertify online at StudentLoans.gov
 - Should take ~15min if:
 - (1) Borrower has FSA ID and
 - (2) Borrower can self-certify no taxable income, or has not had drop in income since tax return and can import return
- Should get notice/reminder from servicer about when and how
 - But many borrowers change addresses or don’t open communications from servicers

Case Plan for Laura

- Investigate types of loans (NSLDS)
- Explore possible loan cancelation options
- Counsel on options to get out of default
 - If Laura rehabilitates, help her get into Income-Based Repayment
 - If Laura consolidates, help her get into IBR or REPAYE

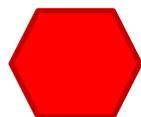


Tackling Private Loans

- Unlike the federal government, these lenders DO NOT HAVE special collection powers. Treat these like credit card debt, but generally cannot get rid of them in bankruptcy.

How to resolve them:

- ① Identify the lender from collection letters, credit reports, or loan documents.
- ② Decide whether to request a copy of the promissory note and account history (payments/credits/fees/interest).



When was the last forbearance/deferment or payment?

Unlike federal loans, a statute of limitations applies here.

- ③ Learn about the repayment options, including discharge and forbearance options.
- ④ Dispute any amount in question; consider litigation.
 - File complaints with the CFPB at www.consumerfinance.gov/complaint/#student-loan.
- ⑤ Decide whether to make payments; obtain written repayment agreements whenever possible.



Student Loan Resources

- Getting information about loans
 - For federal loans
 - National Student Loan Data System
 - www.nslds.ed.gov
 - Credit reports
- NCLC's Student Loan Borrower Assistance Project
 - www.studentloanborrowerassistance.org
- Department of Education, Federal Student Aid
 - <https://studentaid.ed.gov/>

QUESTIONS?



FINAL DISCUSSION:

Who do you typically work with on student loan issues? Are there unmet needs among underserved communities? How could you learn more?

What partnerships could be helpful to your work?

What are some changes that would make a big (positive) impact on your work? (organizationally, in community, other?)

Thank You!

Contact info:

Persis Yu, pyu@nclc.org

(617) 542-8010



Since 1969, the nonprofit **National Consumer Law Center® (NCLC®)** has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. **www.nclc.org**

Evaluation Form:
<https://goo.gl/forms/c3V8JlrOnz3gkgYh2>

Worksheets: Needs Assessment



Consumer Right Training Toolkit
 Needs Assessment Worksheet

Articulating the problem/need.

The issue of focus is:*

Coerced Debt

*Note: you may first need to go through the "should be" chart below, thinking about survivors' holistic needs, in order to identify an issue of focus.

Think about WHAT SHOULD BE:

| | Information you have (consider survivors' needs, experiences, what has worked well, what has not, etc.) | Where or from who you got this information | Information you need to further analyze the issue | How will you get the information you need |
|---|---|--|---|---|
| What do survivors say they need to address DEBT ? | 1. | 2. | 3. | 4. |

Based on the above, write an aspirational statement about what should be when a survivor faces **DEBT**?
 5.

Now, think about the CURRENT RESPONSE:

| | What's the general process by which advocates or attorneys within your agency respond to DEBT ? | In what ways do partners or other organizations work to address DEBT ? | How do you see systems respond to DEBT (e.g. justice systems, government agencies)? | Are there key local, state, federal policies that come into play for DEBT ? |
|--|--|---|--|--|
| What's the current response to Issue X ? | 6. | 7. | 8. | 9. |

*If it's difficult to answer for any one level or you're not sure, where can you go for more information? What questions do you need to ask?

- What do you know?
- What should be (the ideal)?
- What's currently happening?
- What are gaps?
- Opportunity Mapping! (goals)
 What could be happening from individual to org to policy level?

Worksheets: Partnership Building



**CENTER FOR SURVIVOR
 AGENCY & JUSTICE**

Partnership Building
 Mapping Worksheet

Brainstorming Partners & Allies: Primer

Below are a few stakeholder groups to help you brainstorm a list of current and potential partners to engage in the systems advocacy efforts you have identified.

| Stakeholder Group | Unique Perspective & Brainstorm List |
|-------------------|--------------------------------------|
|-------------------|--------------------------------------|

| | |
|-----------|--|
| Survivors | <p>WHO MIGHT THEY BE? Think about various identity groups, communities, and in which programs/services you interact with survivors.</p> <p>WHY ARE THEY IMPORTANT? Only survivors can explain the rich complexities of their lived realities, and experiences of violence, as well with navigating various service and safety systems.</p> |
|-----------|--|

| | |
|--------------------------------|--|
| BRAINSTORM LIST (be specific): | <p>What do you value or believe about them? What do you think they value or believe about you? What perspective do they bring / what do they offer?</p> |
|--------------------------------|--|

| | |
|---|---|
| Advocates, attorneys, and other practitioners | <p>WHO MIGHT THEY BE? Advocates, attorneys, social workers, counselors/therapists, educators, prevention educators, community engagement, or those who work directly with survivors or their communities. Think about those from within your organization, in other organizations, and across movements, e.g. immigrant rights, racial justice.</p> <p>WHY ARE THEY IMPORTANT? Stakeholders who work regularly and directly with survivors are critical for identifying trends, or common issues they see and hear from multiple survivors. They also have an understanding of what works and what doesn't in terms of remedying particular problems.</p> |
|---|---|

| | |
|--------------------------------|--|
| BRAINSTORM LIST (be specific): | <p>What do you value or believe about them? What do you think they value or believe about you? What perspective do they bring / what do they offer?</p> |
|--------------------------------|--|

| | |
|-------------------------------|---|
| Program directors /executives | <p>WHO MIGHT THEY BE? Program managers/directors, legal directors, executive directors, or other executive roles. Think about from within your organization, in other organizations, and across movements, e.g. immigrant rights, racial justice.</p> <p>WHY ARE THEY IMPORTANT? These stakeholders often bring expertise in how systems, programs, policies, and laws function and impact your organization. They also have decision-making power within their organizations and influencing power across.</p> |
|-------------------------------|---|

| | |
|--------------------------------|--|
| BRAINSTORM LIST (be specific): | <p>What do you value or believe about them? What do you think they value or believe about you? What perspective do they bring / what do they offer?</p> |
|--------------------------------|--|

| | |
|-------------------|--|
| Community members | <p>WHO MIGHT THEY BE? Important or long-standing community members, civic leaders, religious/spiritual leaders, volunteers, etc.</p> <p>WHY ARE THEY IMPORTANT? Community stakeholders bring diverse perspectives on how an issue may be experienced (the same or differently) by different groups. They understand where resources and community assets lie and can be important champions in getting the community engaged in efforts.</p> |
|-------------------|--|

| | |
|--------------------------------|--|
| BRAINSTORM LIST (be specific): | <p>What do you value or believe about them? What do you think they value or believe about you? What perspective do they bring / what do they offer?</p> |
|--------------------------------|--|

- Who are your partners?
- What's their perspective on the issue?
- How do you work with them to address the issue? How would you like to?
- Partner Mapping! (strategies) What's work and what can be done to enlist partners?

Worksheets: Strategic Planning/Systems Thinking



Consumer Right Training Toolkit
 Strategic Action Planning Worksheet

Action & Evaluation Planner

Use this chart as a tool to turn goals into action or to reflect on past work as you continue planning ahead. It can be used for long or short-term planning. The prompts are meant to help your brainstorming. Note: You do not have to fill in left to right – for example, you may have a clear sense of a strategy for one objective and a measure of success for another. From there, you can then ensure activities match your intended goals.

DV Consumer Law Working Group

Goal: reduce number of judgments/lawsuits against survivors for months after lease improperly terminated;
Method: amend NY's early lease termination law for domestic violence survivors

| Objectives [Answer: What are the specific, measurable, action oriented, timed steps that will contribute to reaching the goal? Note: they will be behavioral; should begin with active verbs.] | Measures of "Success" [Answer: How will you know if this is successful or working? What will participants be doing/feeling? What could the impact on survivors look like? Note: not all measures of success will be on survivors, it may be on other actors (i.e. advocates, community members, etc.) Don't grasp for deep impact unless it makes logical sense.] | Tasks/ Activities [Answer: What will it take to be successful? What are the steps?] | Strategies [Answer: What are important considerations or approaches to each task/activity? Ex. Elements of a training or framing of arguments in a meeting] | Timeline [Answer: Do the activities need to go in a certain order? How long will each task/activity take? When can you reasonably accomplish each task/activity?] | Resources Needed [Answer: What could be a deal breaker? What's needed in terms of staff, time, money, external support, other?] | Lead Person [Answer: Who's responsible for overseeing or carrying out this objective?] Interdependencies [Answer: Who else will be needed? When and what will they contribute?] |
|---|--|--|--|--|--|--|
| Draw comparisons to other laws - NY and other states | | Research! | -How do other states structure parallel provisions -How does NY structure parallel provisions for other populations? | | Utilize Fordham clinic students for help in doing 50 state survey | |

- What is our policy landscape? How does that impact advocacy?
- What are our goals to address the issue?
- What are steps to get there?
- Who's needed? What's needed? By when is it needed?
- If we do these things can we expect to achieve our ultimate goal? How will we know (measurable indicators)?

Resources & Announcement

We want to Spotlight you!



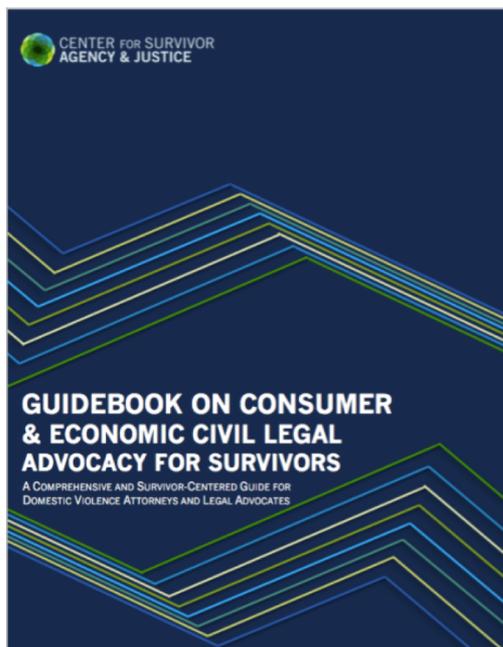
- ▣ **Purpose:** Spotlights are a Peer Exchange opportunity to share best-practices in consumer and economic advocacy with the field.
- ▣ Interested? **Complete this form** <https://goo.gl/forms/jDpmAIQKDZqpoG3t2>
 - ▣ We'll follow-up!

Training Toolkit

- Both bankruptcy and student loan webinars, plus other resources, tools, and materials will be posted as a Consumer Rights *Training Toolkit* here, soon!
 - <https://csaj.org/webinars>

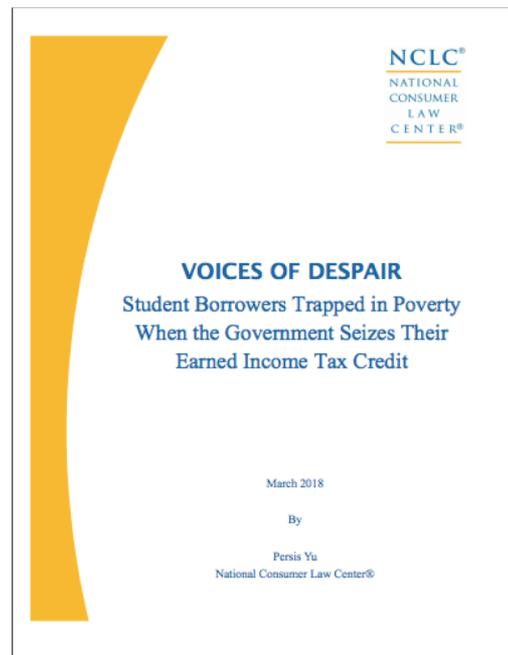
- And look for a Consumer Rights Newsletter & other announcements, here:
 - <https://csaj.us5.list-manage.com/subscribe?u=58f89a02f55fbf512cc8a5f88&id=d147e487f9>

Student Loan Resources



Guidebook Chapters

Chapter 6: Student
Loans

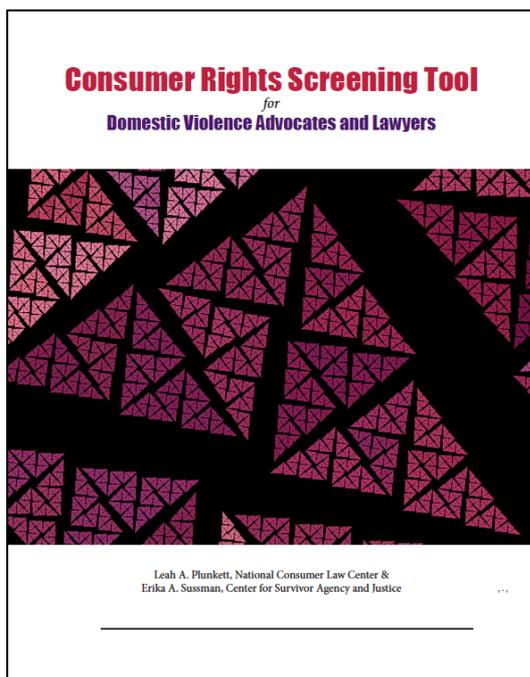


Voices Of Despair:

Student Borrowers Trapped In
Poverty When The
Government Seizes Their
Earned Income Tax Credit

Additional Resources

Assessment Tools



[Download](#)

Advocacy Tools

- [Past Webinar & Training](#)
- [Resource Library](#)
 - Federal Taxes
 - Coerced Debt
 - Eviction & Foreclosure
 - Credit Reporting & Repair
 - Banking & financial services
 - Consumer and Criminal Record Barriers
 - Employment & Housing Access
 - ...and more

CSAJ's Guidebook

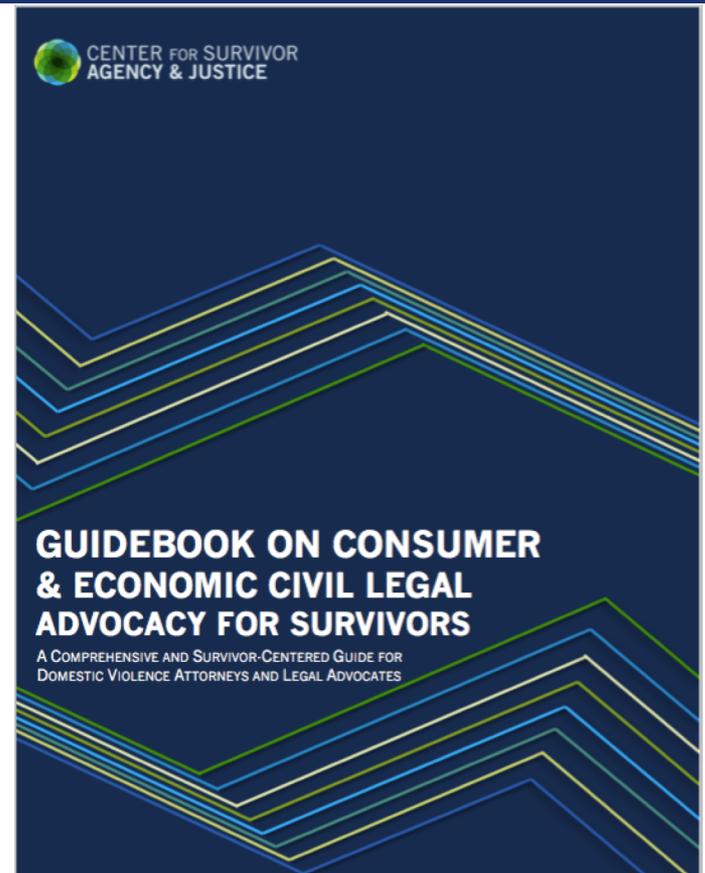
Guidebook on Consumer & Economic Civil Legal Advocacy for Survivors

A comprehensive and survivor-centered guide for domestic violence advocates and attorneys

Chapters Include:

- Credit reporting and repair
- Debt collections and defense
- Bankruptcy and foreclosure
- Federal tax advocacy
- Economic relief in civil protection orders
- Economic issues in family law
- Barriers in civil court
- Rights and protections: housing and employment

<https://csaj.org/Guidebook>



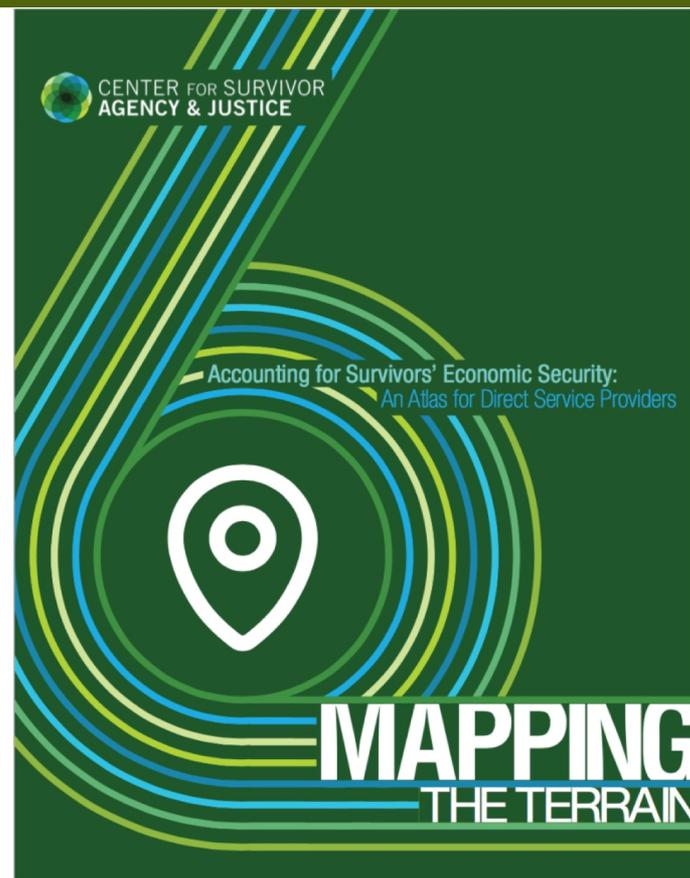
Accounting for Economic Security

An Atlas for Direct Service Providers

Mapping the Terrain

1. Economic hardship and poverty constrain survivors' options for safety
2. The economic impact of violence ripples throughout survivors' lives
3. Systemic barriers impede survivors' access to economic stability
4. Social inequality restricts survivors' options for economic security and safety

[Download](#)



Listening Sessions & Report

Purpose is to dialogue-back with Listening Session conversations in order to aid self-reflection, challenge dominant narratives, support improved data collection and analysis, and to begin, continue, or advance conversations and work toward racial equity for domestic and sexual violence survivors and for all of us.

[DOWNLOAD](#)

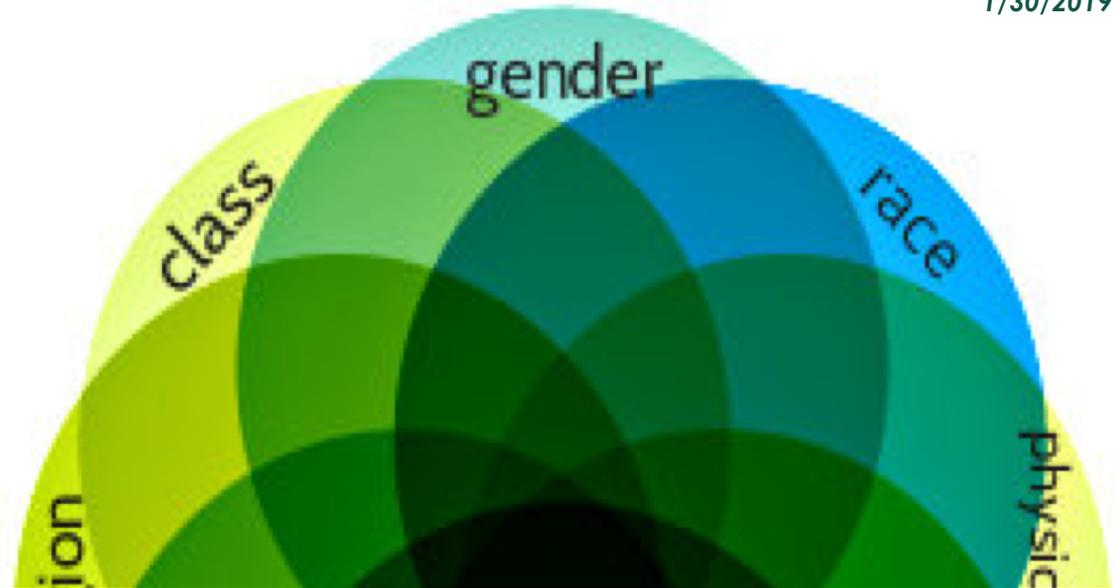


a report on From Margins to Center Listening Sessions, an initiative of the Racial & Economic Equity for Survivors Project (REEP)

showing UP

how we see, speak, and respond to racial inequity facing survivors of domestic and sexual violence

facilitated and authored in partnership
Camille Holmes, TITLE
Center for Survivor Agency & Justice
Texas Council on Family Violence
Women of Color Network, Inc.



THANK YOU!

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