

## Loan Repayment Policy and Procedure

<a href="#">Student Loan Options</a>	<a href="#">Repayment Plans</a>
<a href="#">Repayment Options</a>	<a href="#">Loan Consolidation</a>
<a href="#">Postponing Repayment</a>	<a href="#">Estimate your Payments</a>
<a href="#">Who's my loan servicer?</a>	<a href="#">Loan Counseling</a>

### Completing a FAFSA Application

Discover your eligibility for financial aid by completing the Free Application for Federal Student Aid (FAFSA). To complete a financial aid application, go to [fafsa.ed.gov](https://fafsa.ed.gov).

- When you complete the FAFSA form on the myStudentAid app or online at [fafsa.gov](https://fafsa.gov), you will see instructions for each question. You can get additional help by selecting the question mark icon next to each FAFSA question. This will display a "tooltip" that provides information about how to answer that question.
- In the online FAFSA form at [fafsa.gov](https://fafsa.gov), you can select the "Help" button at the top of the page to reach the "FAFSA Help" page, where you can view trending FAFSA topics, browse FAQs, and search for more information. Visit the "FAFSA Help" page directly by going to [StudentAid.gov/fafsahelp](https://StudentAid.gov/fafsahelp).
- You can contact the Federal Student Aid Information Center via email at [StudentAid@ed.gov](mailto:StudentAid@ed.gov) or by phone at 1-800-4-FED-AID (1-800-433-3243; TTY for the deaf or hard of hearing 1-800-730-8913)
- <https://studentaid.gov/resources#fafsa>

For additional assistance please contact us:  
DSDT Financial Aid Department  
1759 W. 20th Street Detroit, MI 48216  
[Financialaid@dsdt.edu](mailto:Financialaid@dsdt.edu)  
(313) 263-4200

### Federal and Private Student Loan Summary

Differences between federal and private student loans?

**Federal student loans** are made by the government, with terms and conditions that are set by law, and include many benefits (such as [fixed interest rates](#) and [income-driven repayment plans](#)) not typically offered with private loans.

#### *Private education loan:*

**With some exceptions, 34 C.F.R. 601.2(b) defines private education loan as:** the term is defined in 12 C.F.R. 226.46(b)(5), a loan provided by a private educational lender that is not a title IV loan and that is issued expressly for postsecondary education expenses to a borrower, regardless of whether the loan is provided through the educational institution that the student attends or directly to the borrower from the private educational lender.

\*Private loans differ by lender and by type of loan. Be sure you understand the terms of your loan, and keep in touch with your lender about any questions you may have.

[FEDERAL VS. PRIVATE STUDENT LOANS](#)

**EXIT COUNSELING**

If you leave school or graduate, The U.S. Department of Education requires you to complete [Exit Loan Counseling](#).

**REPAYMENT**

Repayment begins six months after you graduate or drop below half-time enrollment (six credit hours). If you receive a loan and Withdraw, Graduate, or Drop below six hours you must contact Student Financial Services so we can counsel you regarding your loan status. Please keep in mind that if you withdraw you may owe part of your loan funds back immediately.

Under certain circumstances you can receive a deferment or forbearance. This will allow you to temporarily postpone making loan repayments. You can find out more about deferments and forbearances through the [U.S. Department of Education’s website](#).

Students are able to track the amount they owe, their student loan servicers, and interest rates by logging in the [National Student Loan Database System \(NSLDS\)](#). You will login with the same Username and Password that was used to complete the Free Application for Student Aid (FAFSA) application.

Type of Loan	Interest Rate (2021 - 2022)
Direct Subsidized	3.73%
Direct Unsubsidized (Undergraduate Students)	3.73%

**Repayment Plans**

Revised Pay As You Earn Repayment Plan (REPAYE Plan)	Generally 10 percent of your discretionary income
Pay As You Earn Repayment Plan (PAYE Plan)	Generally 10 percent of your discretionary income, but never more than the 10-year Standard Repayment Plan amount
Income-Based Repayment Plan (IBR Plan)	Generally 10 percent of your discretionary income if you're a new borrower on or after July 1, 2014*, but never more than the 10-year Standard Repayment Plan amount Generally 15 percent of your discretionary income if you're not a new borrower on or after July 1, 2014, but never more than the 10-year Standard Repayment Plan amount

Income-Contingent Repayment Plan (ICR Plan)	<p>The lesser of the following:</p> <ul style="list-style-type: none"> <li>• 20 percent of your discretionary income or</li> <li>• what you would pay on a repayment plan with a fixed payment over the course of 12 years, adjusted according to your income</li> </ul>
---------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Under all four plans, any remaining loan balance is forgiven if your federal student loans aren't fully repaid at the end of the repayment period. For any income-driven repayment plan, periods of economic hardship deferment, periods of repayment under certain other repayment plans, and periods when your required payment is zero will count toward your total repayment period. Whether you will have a balance left to be forgiven at the end of your repayment period depends on a number of factors, such as how quickly your income rises and how large your income is relative to your debt. Because of these factors, you may fully repay your loan before the end of your repayment period. Your loan servicer will track your qualifying monthly payments and years of repayment and will notify you when you are getting close to the point when you would qualify for forgiveness of any remaining loan balance.

If you're making payments under an income-driven repayment plan and also working toward loan forgiveness under the [Public Service Loan Forgiveness \(PSLF\) Program](#), you may qualify for forgiveness of any remaining loan balance after you've made 10 years of qualifying payments, instead of 20 or 25 years. Qualifying payments for the PSLF Program include payments made under any of the income-driven repayment plans.

Please remember, if you begin to have trouble making your payments, you must contact your loan servicer immediately. You can retrieve the loan servicer contact information and all of your loan record details on the [National Student Loan Data System for Students](#).

## **DEFAULTING ON STUDENT LOANS**

Default is failure to repay a loan according to the terms agreed to in the promissory note. For most federal student loans, you will default if you have not made a payment in more than 270 days. If you default on a federal student loan, you lose eligibility to receive additional federal student aid and you may experience serious legal consequences.

If you default on your federal student loan, the entire balance of the loan (principal and interest) becomes immediately due. This is called acceleration. Once your loan is accelerated, you no longer have access to deferment or forbearance options or to a choice of repayment plans.

In addition, if you do not make repayment arrangements with the holder of your loan—the U.S. Department of Education (ED), a guaranty agency, or the school that made the loan—and comply with the terms of the repayment arrangement, your loan holder may place your loan with a collection agency. If your loan is placed with a collection agency, you will be responsible for costs incurred by your loan holder to get payment. The holder of your loan can take other actions to collect as well.