

What happens if I don't make my loan payments?

- You will receive letters and phone calls to remind you of your obligation.
- You won't be able to get more student loans, grants, and other aid.
- If you default on your loan(s) the national consumer reporting agencies will be notified, severely damaging your credit rating. This may keep you from qualifying for a loan for a car or house.
- Your wages may be garnished.
- Your federal and state income tax refunds or other money owed to you may be taken to pay your defaulted loans.
- Collection costs may be added to the amount you owe.



A loan, unlike a grant, is borrowed money that must be repaid. Even if you didn't like the education you received or can't get a job after you graduate, you are still responsible for the payments.

UHEAA is dedicated to helping you understand your options. There are resources, tools and services that will help you stay on target.

Any further questions?

Web site: www.uheaa.org
Call: 801.321.7294 (Salt Lake)
877.336.7378 (Toll Free)
E-mail: uheaa@utahsbr.edu
Write to: PO Box 145112
Salt Lake City, Utah 84114-5112



www.uheaa.org
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Also find us on:



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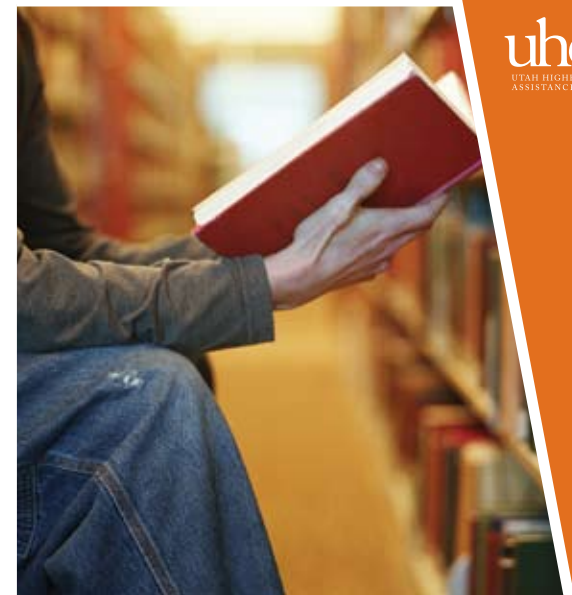
Student Loan Repayment



You're looking forward to what your future holds, don't forget what helped get you where you are.

UTAH SYSTEM OF
HIGHER EDUCATION
Building a Stronger State of Minds™

uheaa®
UTAH HIGHER EDUCATION
ASSISTANCE AUTHORITY





When will I have to pay?

For Federal Stafford Loans you have a six-month grace period. This means that you generally have six months from the time you leave school, or drop below half-time attendance, before you have to start paying on your loan(s).

Your first payment will be due 30 to 45 days after your grace period ends. Be ready!

Who do I pay?

UHEAA will notify you of where you should send your payments. You will receive billing statements; however, you are obligated to make payments even if you don't receive any notice. It's important to notify your loan holder if you change your name, local address, permanent address, or e-mail address. This will help ensure you receive timely information about the status of your loan(s).

What will my monthly payments be?

This will depend upon how much you borrowed. Don't panic, there are several options available to you. Call UHEAA's Customer Service (877.336.7378) and let us help you make informed decisions regarding your loan repayment. You may also calculate an estimate of your repayment amount by using the calculators available at www.uheaa.org.

What are my Repayment Options?

The best choice you can make is to start paying and continue until you are student loan debt free. In general, Federal Stafford and PLUS borrowers have up to 10 years to repay their loans under the standard, graduated, and income-sensitive options. An extended repayment plan and income-based repayment plan may also be available. You can change your repayment option each year.

- **Standard Repayment** is the traditional repayment option. Payments are set so you will repay the debt within the maximum repayment period. Monthly payments may change each year to reflect a change in interest rates. A minimum payment of \$50 applies in most cases.
- **Graduated Repayment** allows your installment payments to change (usually increasing) over the repayment period.
- **Income-Sensitive Repayment** is available if you provide information on the expected total gross monthly income you receive from all sources. Documentation must be provided each year so that your payment amount can be adjusted accordingly.

- **Extended Repayment** is available based on when you received your loans and how much you owe. Under the extended repayment plan, the repayment term can extend up to 25 years.
- **Income-Based Repayment** is intended to help borrowers experiencing a partial financial hardship, considering income and family size. Although repayment can be extended up to 25 years, documentation must be submitted every year.

What are my Deferment Options?

Deferments are available to postpone your loan payments for the following reasons:

- **In School Deferment.** You must be enrolled at least half-time at an eligible school.
- **Graduate Fellowship Deferment.** You must be in an eligible graduate fellowship program.
- **Rehabilitation Training Program Deferment.** You must be in a rehabilitation program for people with disabilities.
- **Unemployment Deferment.** You must be looking for but not able to find a full-time job or working less than 30 hours per week.
- **Economic Hardship Deferment.** There are several reasons that you might qualify for an economic hardship deferment. These include the inability to find employment, earnings below a certain level, and full-time volunteer service for a non-profit organization.

These deferments are available if none of your loans are older than July 1, 1993. For a complete list of deferments and eligibility requirements, contact UHEAA's Customer Service (877.336.7378).

When you don't qualify for a deferment, you may be granted forbearance. Forbearance may temporarily postpone or reduce payments, but interest continues to accrue. The granting of forbearance is discretionary.

What extra benefits do I receive by borrowing through UHEAA?

- **Local Service**
UHEAA offices are located in Salt Lake City and Customer Service Representatives are available by telephone, e-mail, or in-person consultations.
- **State of the Art Technology**
UHEAA provides a complete set of self-service tools that enables you to manage your loans. You can check the status of your account and update your contact information at our Web site, www.uheaa.org. You can also access your account 24 hours a day by phone (877.336.7378).

Online Planning Tools

The UHEAA Web site offers a wide variety of tools including financial planning calculators and instructional videos to walk you through the financial aid process.

Tips to Painless Repayment

- Make your student loan payments on time. Consider signing up to have your payment automatically withdrawn from your bank account each month.
- Keep all of your loan documents.
- Set up a budget and stick to it. The best way to control your money is to know exactly how you are spending it.
- Don't wait until things become too difficult; there are options that will help you stay on track.
- If you are experiencing difficulty in repaying your loan(s), a *deferment* or *forbearance* might be the answer.
- You don't necessarily want to choose a repayment plan just because it offers the lowest monthly payment. While doing so seems tempting, this might not be the best course of action. Our Customer Service department can help you understand your options and help you make informed decisions concerning your loan repayment.

Consolidation

Consolidating your student loan(s) may be a practical debt management tool.

Generally, monthly payments are less, but you may pay more interest over the life of the Federal Consolidation Loan. For more information about what types of federal loans may be consolidated, please contact UHEAA's Customer Service (877.336.7378).

