Common Student Loan Terms

**Interest** - Charge added to principal for use of the money.

**Principal** - The amount of money you borrowed plus any interest that has been capitalized.

**Servicer** - Collects loan payments and manages the borrowers’ loan status.

**Grace Period** - Period of time after graduation, leaving school or dropping below half-time attendance that no loan payments are required.

**Delinquency** - The initial status assigned to a borrower who is late on making loan payments. Credit score will be negatively affected.

**Deferment** - Temporarily postpones monthly federal student loan payments. Subsidized loan interest continues to be paid by the government.

**Forbearance** - Temporarily reduces, extends or postpones monthly federal student loan payments. Interest will accrue on loans. The forbearance option is usually available for borrowers who are not eligible for deferment.

**Default** - Unpaid delinquent accounts eventually go into default status. Credit scores plummet for borrowers with defaulted loans. Defaulted loans are turned over to collectors.

Many graduating students have no idea what student loans they owe or how to prepare for repaying them. Don’t graduate and enter student loan repayment blindly, this will only make you afraid of your student loans. Instead, use the checklists included in this guide to take control of your student loan repayment.
Checklist: Repaying Federal Student Loans

- Determine the amount of federal loans borrowed (Subsidized, Unsubsidized, Perkins & PLUS) and contact information for the servicer of each loan via the National Student Loan Data System at nslds.ed.gov.

- Visit “How to Repay Your Loans” at studentaid.ed.gov for information on:
  - Understanding Repayment
  - Loan Consolidation
  - Deferment & Forbearance
  - Forgiveness, Cancellation and Discharge
  - Understanding Default

- Explore student loan repayment options in 5 steps or less at studentloans.gov by clicking on “Find out your student loan repayment options here.”

- Calculate your estimated monthly payment using the Repayment Estimator at studentaid.ed.gov.

- Call your servicer(s) to:
  - Ensure your contact information is up to date.
  - Discuss forgiveness, cancellation, or discharge possibilities.
  - Discuss your repayment options.
  - Discuss other repayment plans, deferment, or forbearance if you are unable to afford the standard repayment plan.
  - Ask about setting up automatic payments from your checking account.
  - Call as often as needed to develop a plan that works for you.

- Develop & execute a repayment plan for each of your loans.

Checklist: Repaying Other Student Loans

- Determine the amount of Short-Term Loans or Emergency Tuition & Fees Loans borrowed from Texas A&M University.

  Contact Student Business Services at:
  - Student Business Services (SBS)
  - Loan Administration
  - (979) 845-8023
  - loans@tamu.edu
  - sbs.tamu.edu/loans

- Determine the amount of State of Texas Loans borrowed. Information on Texas B-On-Time (BOT) and College Access Loan (CAL) can be found at hhloans.com.
  - If you are seeking forgiveness of a BOT Loan, submit the B-on-Time Loan Application for Forgiveness form to the Texas A&M University Office of the Registrar.
  - Contact the Texas Higher Education Coordinating Board at 1-800-242-3062 for repayment questions.

- Determine the amount of private alternative loans borrowed by contacting your servicer(s).

- Determine the monthly loan payment amounts you are expected to pay for each type of loan.

- Develop & execute a repayment plan for each of your loans.
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