

# \$1 Trillion in Student Loan Debt: The Story Behind the Numbers

August 29, 2012

*Organized by the Federal Reserve Banks of Dallas and Kansas City*

The **Connecting Communities**<sup>®</sup> audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

# Welcome

Thank you to everyone for joining this session.

For today:

- This call is being recorded.
- An archived recording of this session will be available on the **Connecting Communities**<sup>®</sup> web site shortly after the session has taken place:  
[www.stlouisfed.org/connectingcommunities/](http://www.stlouisfed.org/connectingcommunities/)
- We will be taking questions via e-mail during this session. Please direct your questions to [communities@stls.frb.org](mailto:communities@stls.frb.org). These questions may be part of the recorded archive for this session.
- In connection with this session, several of our Reserve Bank offices have posted links to a variety of additional resources on this topic. We encourage you to browse through this list and to contact your regional office if you would like additional information on any of these items.

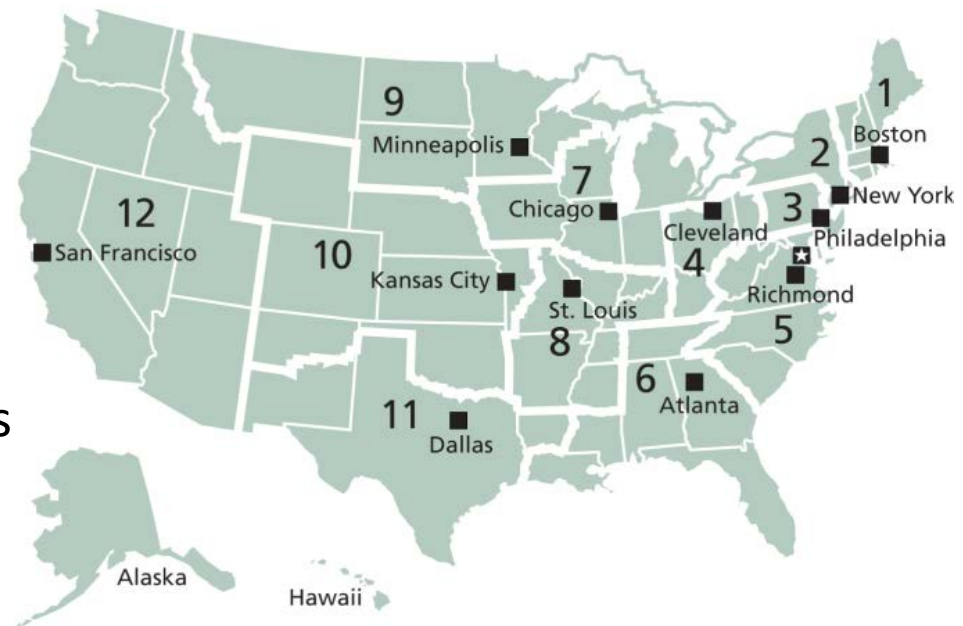
# Legal Notices and Disclaimer

The information, analyses, and conclusions set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

# Community Affairs

Community affairs programs at the Federal Reserve Board and the 12 Federal Reserve Banks support economic growth by promoting community development and fair access to credit.

Community affairs offices at the Board and Reserve Banks engage in a wide variety of activities to help financial institutions, community-based organizations, government entities, and the public understand and address financial services issues that affect low- and moderate-income people and geographic regions.



# Community Affairs (continued)

- Each office responds to local needs in its district and establishes its own programs to:
  - Foster depository institutions' active engagement in providing credit and other banking services to their entire communities, particularly traditionally underserved markets
  - Encourage mutually beneficial cooperation among community organizations, government agencies, financial institutions, and other community development practitioners
  - Develop greater public awareness of the benefits and risks of financial products and of the rights and responsibilities that derive from community investment and fair lending regulations
  - Promote among policy makers, community leaders, and private-sector decision makers a better understanding of the practices, processes, and resources that result in successful community development programs

# Today's Presenters and Agenda

- **Sandy Baum**, *Senior Fellow*, George Washington University Graduate School of Education.
- **Rohit Chopra**, *Student Loan Ombudsman*, Consumer Financial Protection Bureau.
- **Ajita Talwalker**, *Senior Policy Advisor – Office of the Under Secretary*, U.S. Department of Education.

\$1 Trillion

**Sandy Baum**

Senior Fellow,

George Washington University Graduate School of Education

# Why do Students Borrow?

- College is expensive.
- College is an investment in the future.
- Few families have saved enough in advance to pay.
- Working full time in college is not usually a good idea.



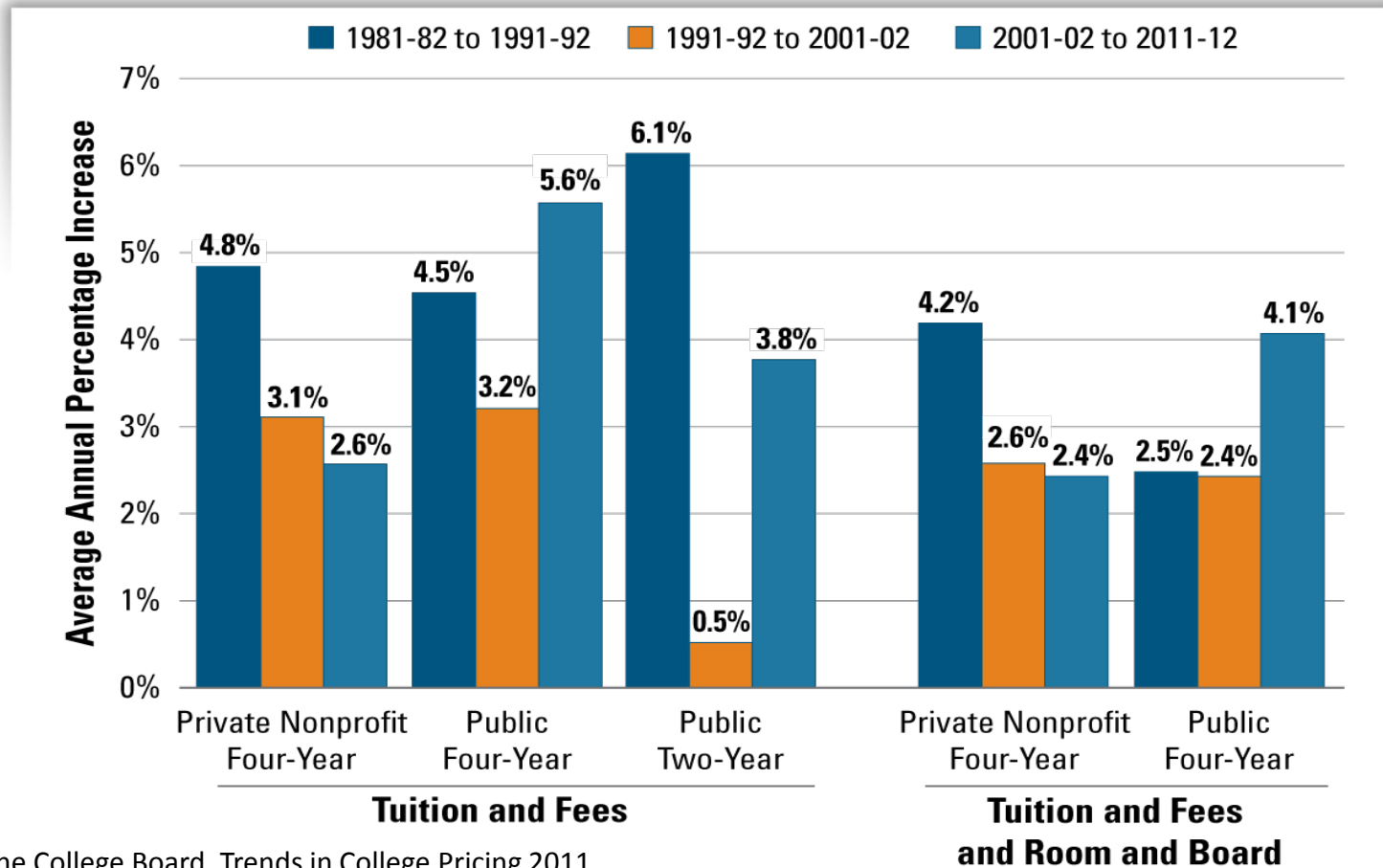
# What Are Students Paying For?

# Average Published Charges for Undergraduates by Type and Control of Institution, 2011-12 (Enrollment-Weighted)

Sector	Tuition and Fees				Room and Board				Total Charges			
	2011-12	2010-11	\$ Change	% Change	2011-12	2010-11	\$ Change	% Change	2011-12	2010-11	\$ Change	% Change
Public 2-Year In-State	\$2,963	\$2,727	\$236	8.7%	—	—	—	—	—	—	—	—
Public 4-Year In-State	\$8,244	\$7,613	\$631	8.3%	\$8,887	\$8,549	\$338	4.0%	\$17,131	\$16,162	\$969	6.0%
Public 4-Year Out-of-State	\$20,770	\$19,648	\$1,122	5.7%	\$8,887	\$8,549	\$338	4.0%	\$29,657	\$28,197	\$1,460	5.2%
Private Nonprofit 4-Year	\$28,500	\$27,265	\$1,235	4.5%	\$10,089	\$9,706	\$383	3.9%	\$38,589	\$36,971	\$1,618	4.4%
For-Profit	\$16,104	\$15,734	\$370	2.4%	—	—	—	—	—	—	—	—

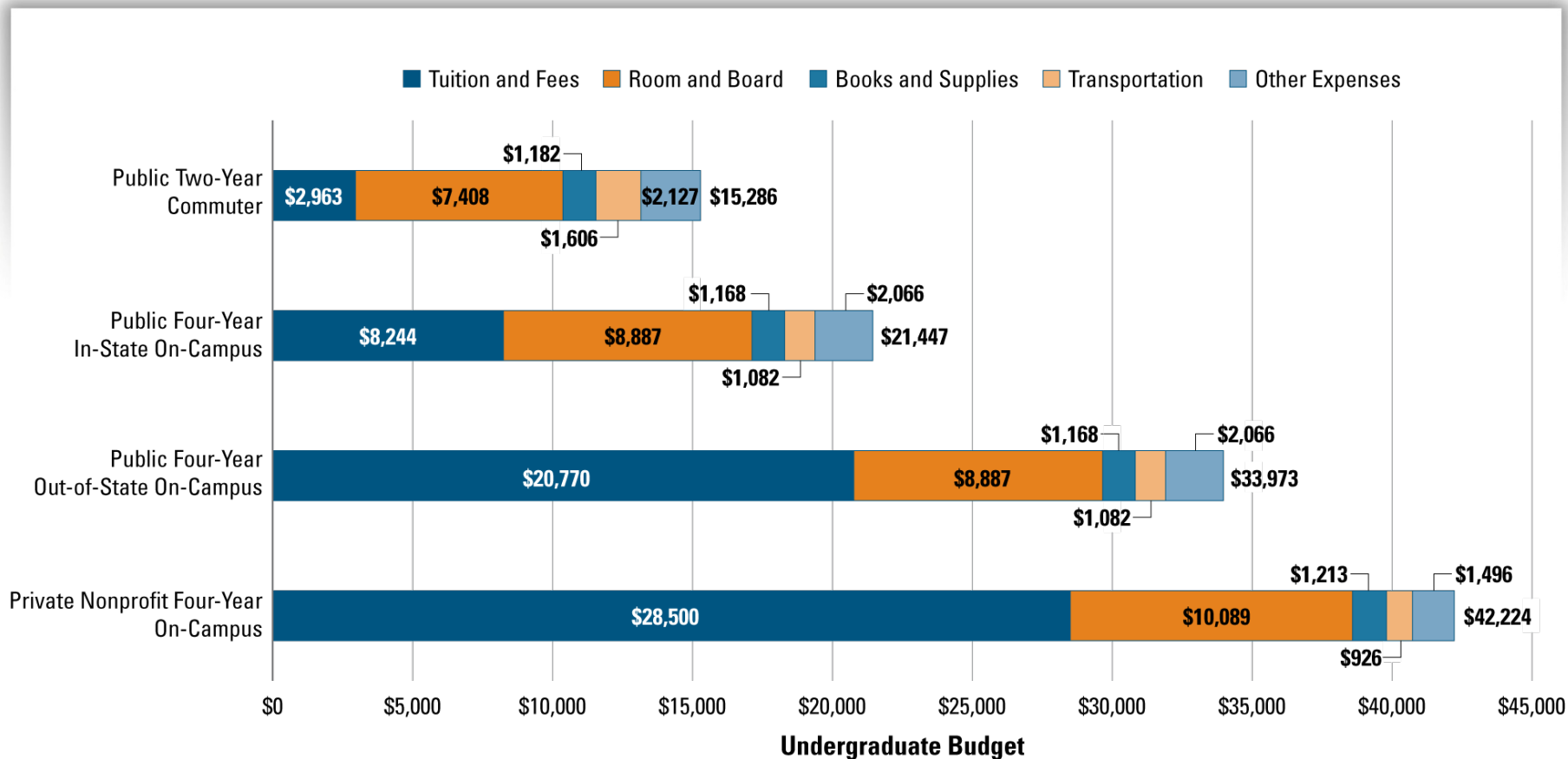
Source: The College Board, Trends in College Pricing 2011

# Average Annual Percentage Increases in Inflation-Adjusted Published Prices by Decade, 1981-82 to 2011-12



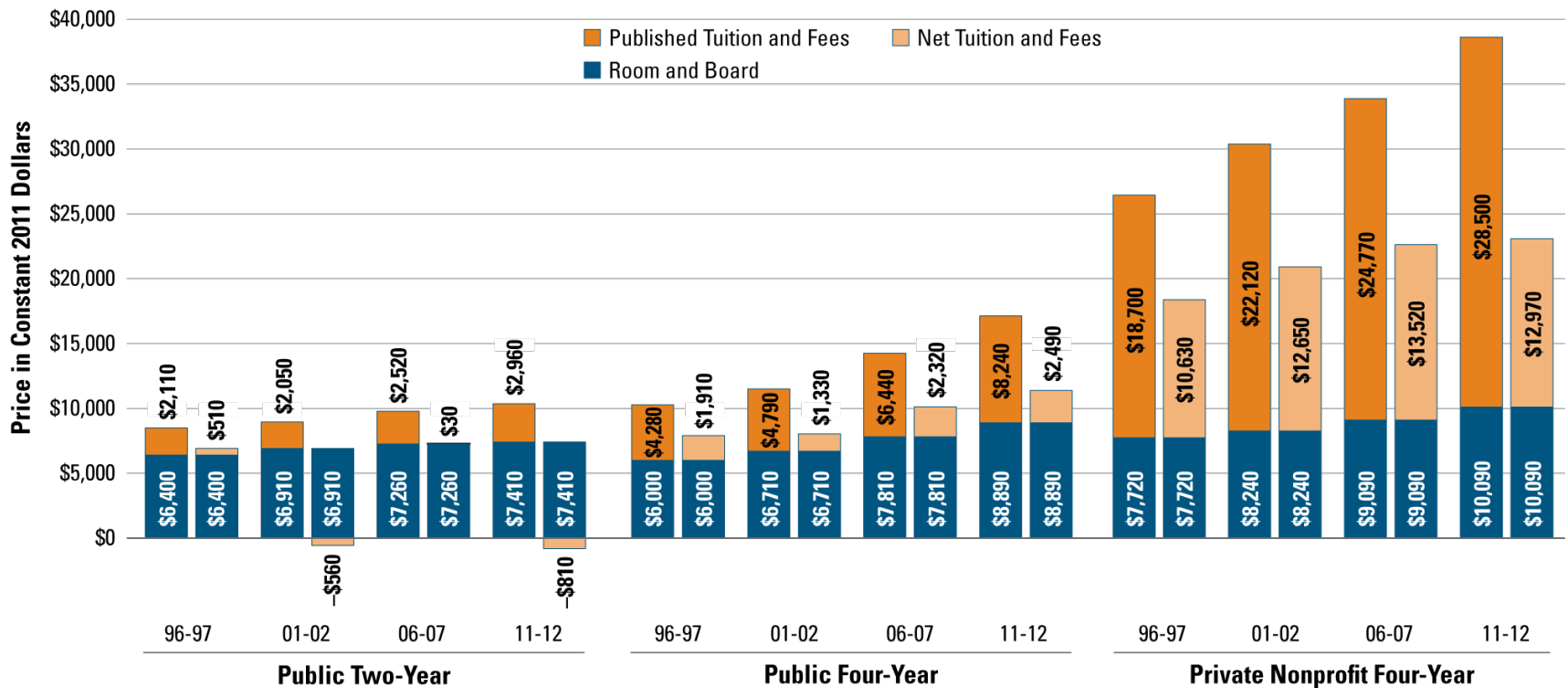
Source: The College Board, Trends in College Pricing 2011

# Average Estimated Undergraduate Budgets, 2011-12 (Enrollment Weighted)



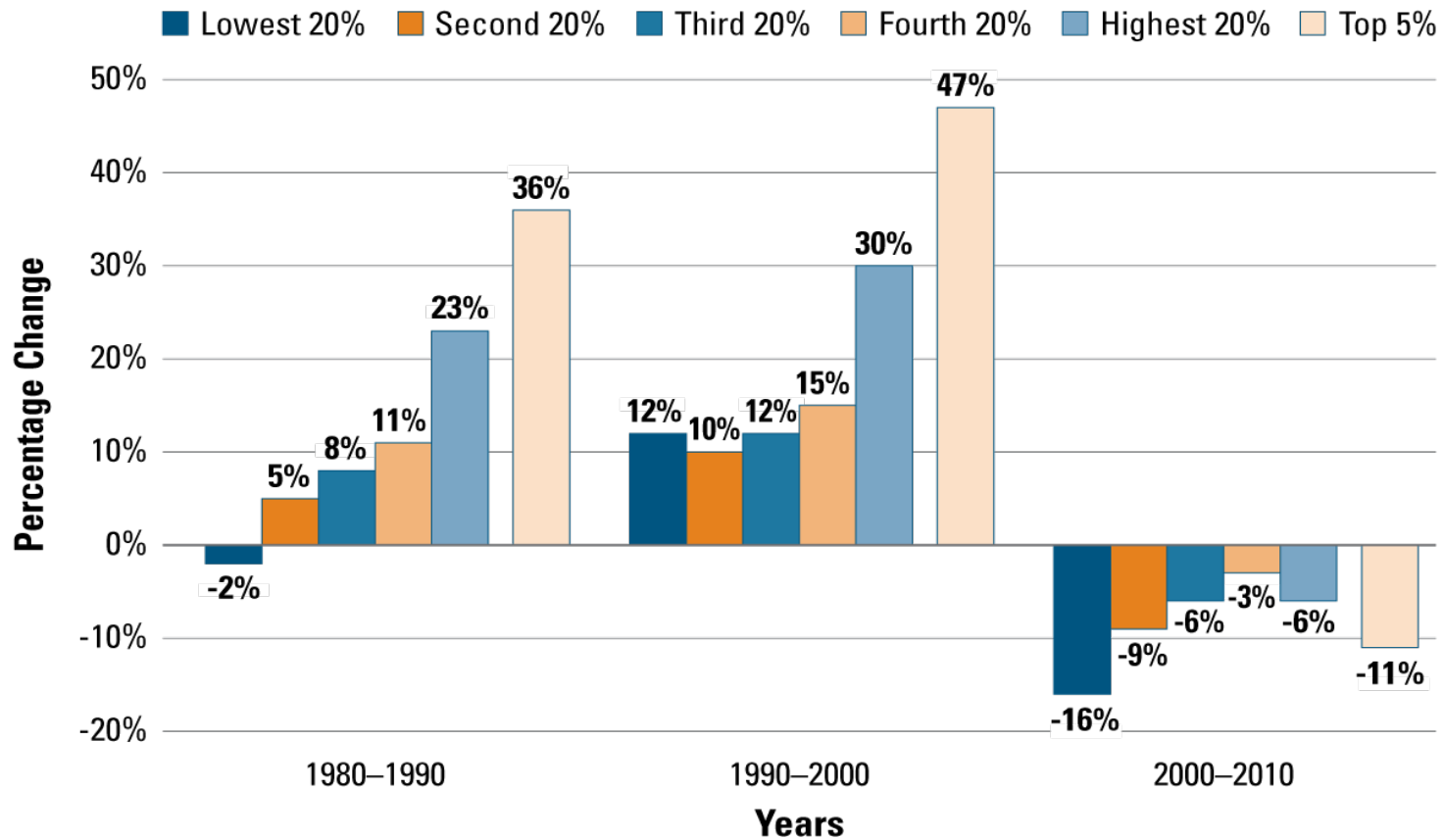
Source: The College Board, Trends in College Pricing 2011

# Published Tuition and Fees, Net Tuition and Fees, and Room and Board in Constant 2011 Dollars, Full Time Undergraduate Students, 1996-97, 2001-02, 2006-07, and 2011-12



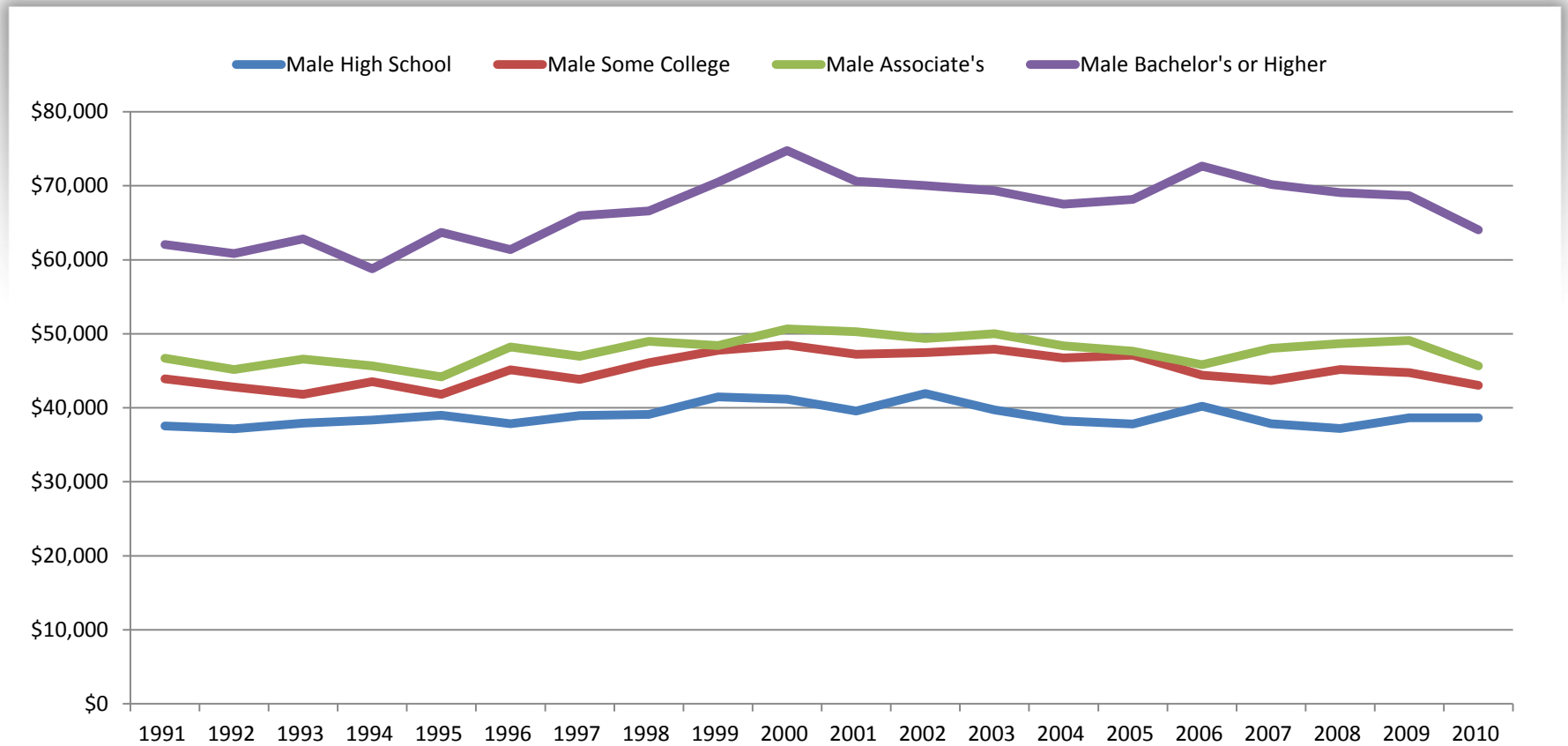
Source: The College Board, Trends in College Pricing 2011

# Percentage Change in Inflation-Adjusted Mean Family Income by Quintile, 1980–1990, 1990–2000, and 2000–2010



Source: The College Board, Trends in College Pricing 2011

# Mean Earnings of Full Time, Year-Round Male Workers Ages 25-34, 1991-2010



Source: U.S. Census Bureau, Historical Income Tables, Table P-32

# Mean Earnings of Full Time, Year-Round Workers Ages 25-34 Relative to High School Graduates

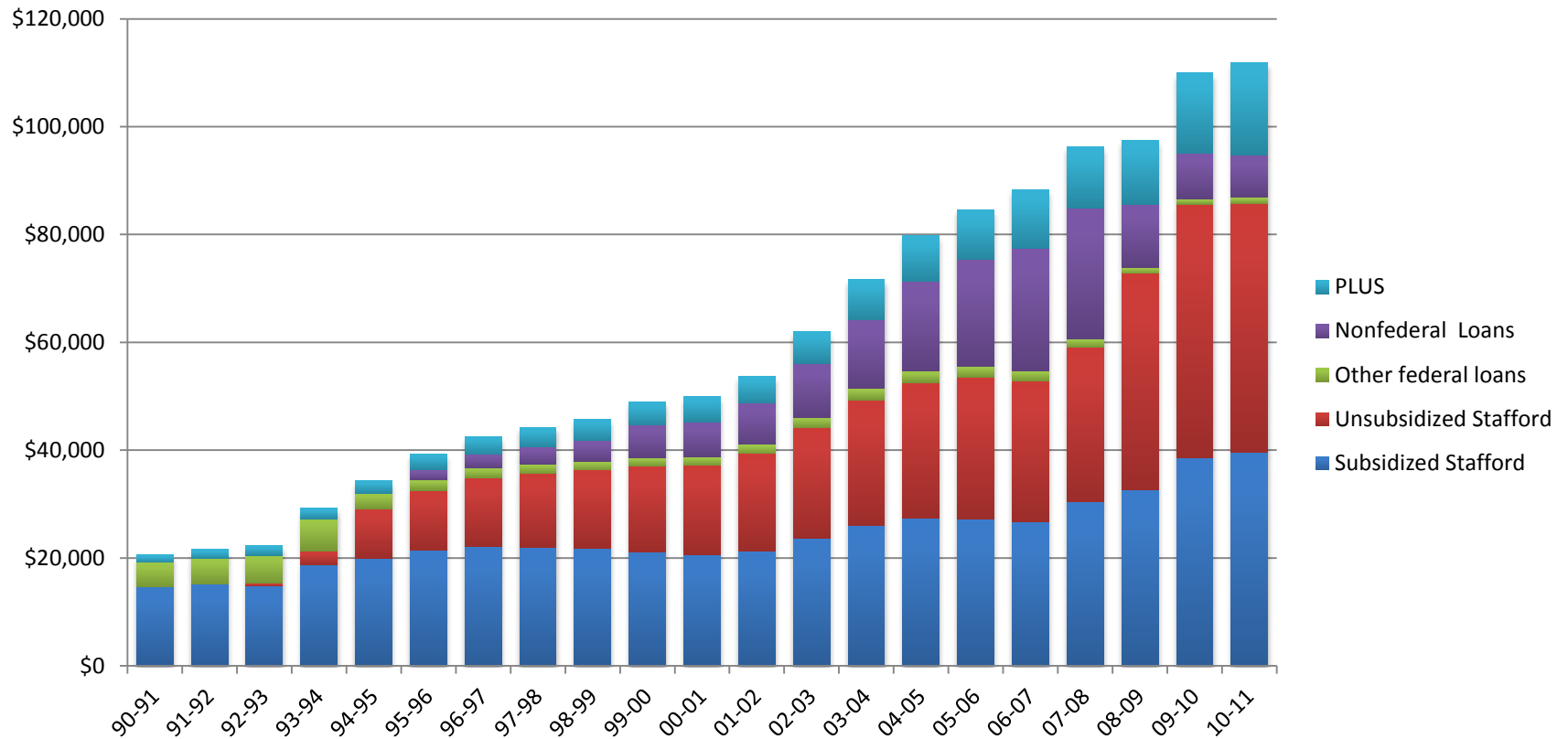
Male	High School	Some College	Associate's	Bachelor's or Higher
1991	1.0	1.2	1.2	1.7
1995	1.0	1.1	1.1	1.6
2000	1.0	1.2	1.2	1.8
2005	1.0	1.2	1.3	1.8
2010	1.0	1.1	1.2	1.7
Female	High School	Some College	Associate's	Bachelor's or Higher
1991	1.0	1.1	1.3	1.6
1995	1.0	1.1	1.3	1.7
2000	1.0	1.1	1.2	1.9
2005	1.0	1.2	1.3	1.6
2010	1.0	1.1	1.4	1.8

Source: U.S. Census Bureau, Historical Income Tables, Table P-32



# Borrowing Over Time

# Total Education Loans Disbursed, 1990-91 to 2010-11 (in Constant 2010 Dollars)



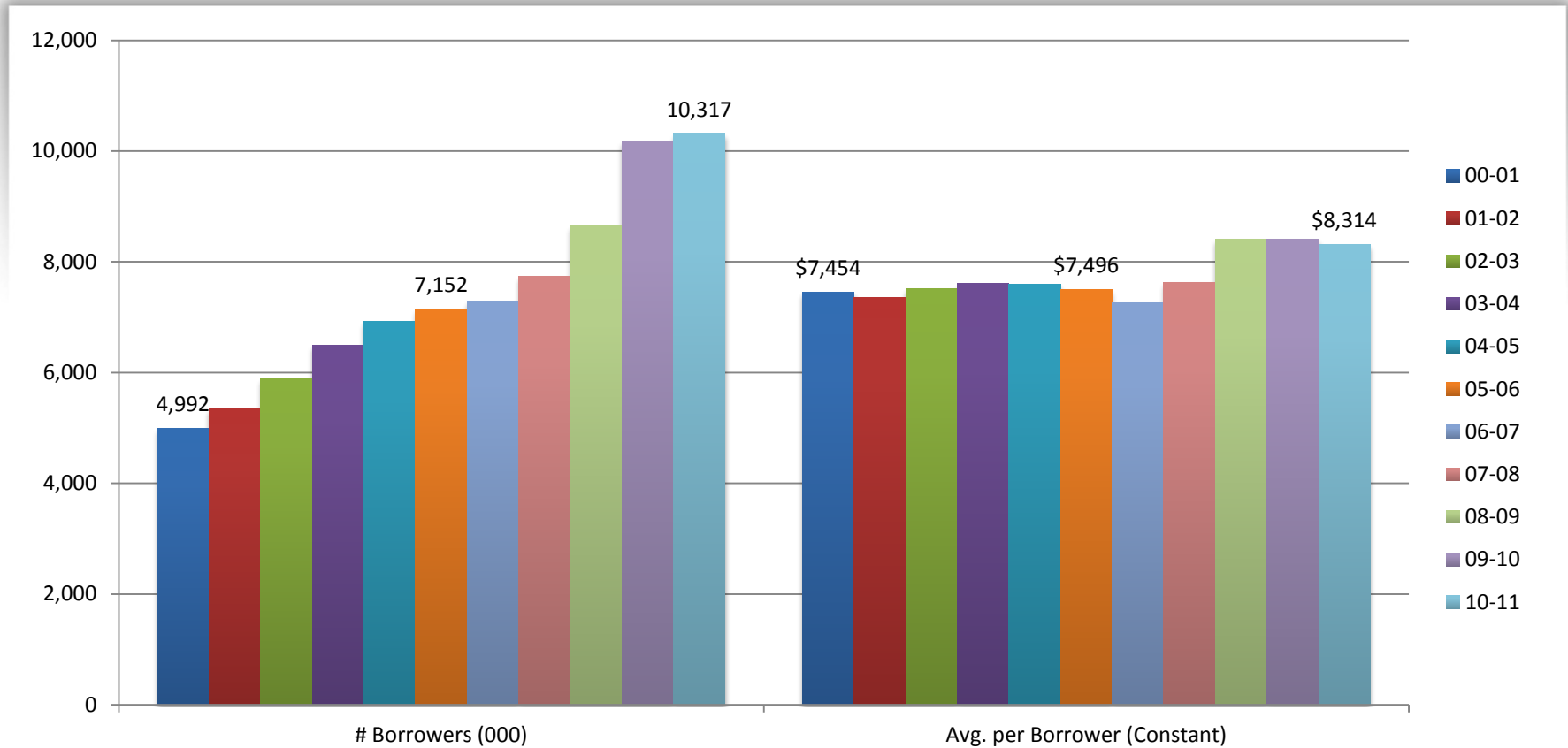
Source: The College Board, Trends in Student Aid 2011

# Total Full Time Enrollment, 1990-2010 (Undergraduate + Graduate)

	Enrollment Growth	% Increase
1990-1995	352,565	4%
1995-2000	950,483	9%
2000-2005	1,916,693	17%
2005-2010	2,699,714	21%

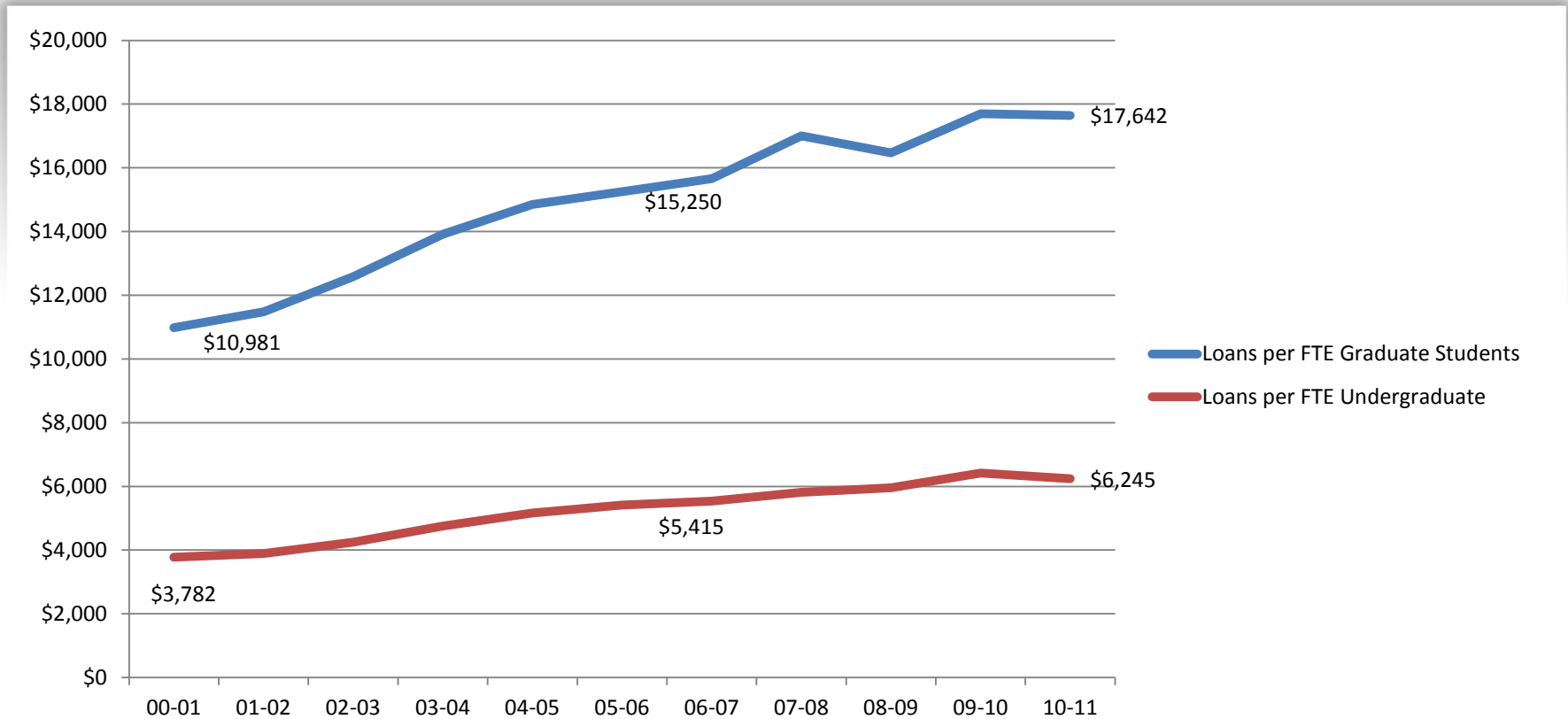
Source: IPEDS

# Federal Stafford Loans: Number of Borrowers (2000s) and Average Borrowed 2000-01 to 2010-11 (in 2010 dollars)



Source: The College Board, Trends in Student Aid 2011

# Total Loans Per FTE Undergraduate and Graduate Student, 2000-01 to 2010-11



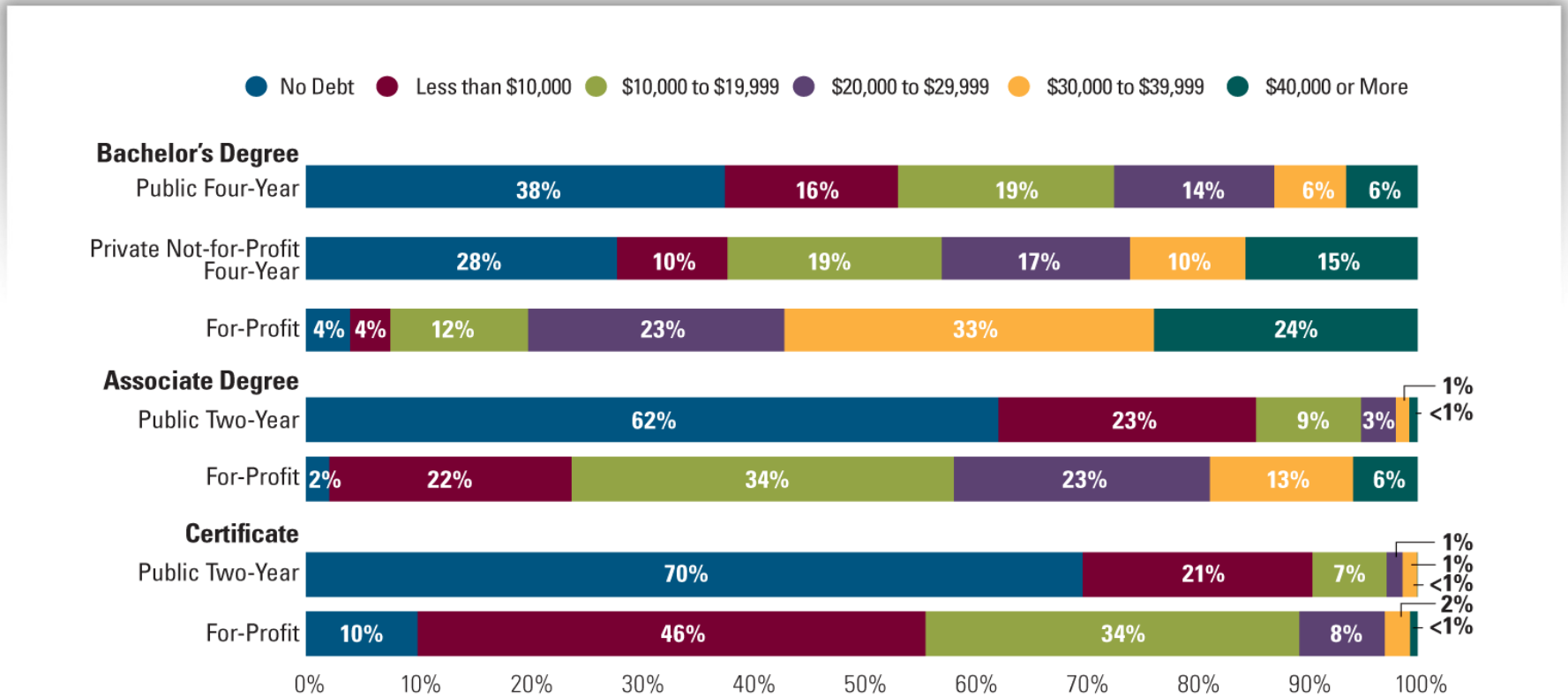
Source: The College Board, Trends in Student Aid 2011

What Should We Worry About?

# Common “Wisdom”

- Most students are drowning in debt.
- Student debt will be the next bubble.
- Students with debt lose out on other consumption with serious implications for the economy.

# Distribution of Undergraduate Debt by Sector and Type of Degree or Certificate, 2007-08



Source: The College Board, Trends in Student Aid 2009



# Who Are Most at Risk?

- Students who don't complete a program
- Students in the for-profit sector
- Students who rely on private loans
- Students who borrow much more than the average
- Students from low-income backgrounds

# For the Future

- Student loans create educational opportunities for many students.
- The payoff to education is high for most people, but the value of the investment is uncertain.
- We should create opportunities, provide better information guidance, and consumer protection, and improve provisions for students with unexpectedly poor outcomes.

# Federal Student Loan Borrowing

**Ajita Talwalker**

Senior Policy Advisor-Office of the Under Secretary,  
U.S. Department of Education

# Federal Student Loan Overview

- The Federal student aid programs provide federal grants, loans, and work study to help students and families cover the cost of higher education.
- The Department of Education offers four types of federal student loans:
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
  - Direct PLUS Loans
  - Direct Consolidation Loans

# Federal Student Loan Overview

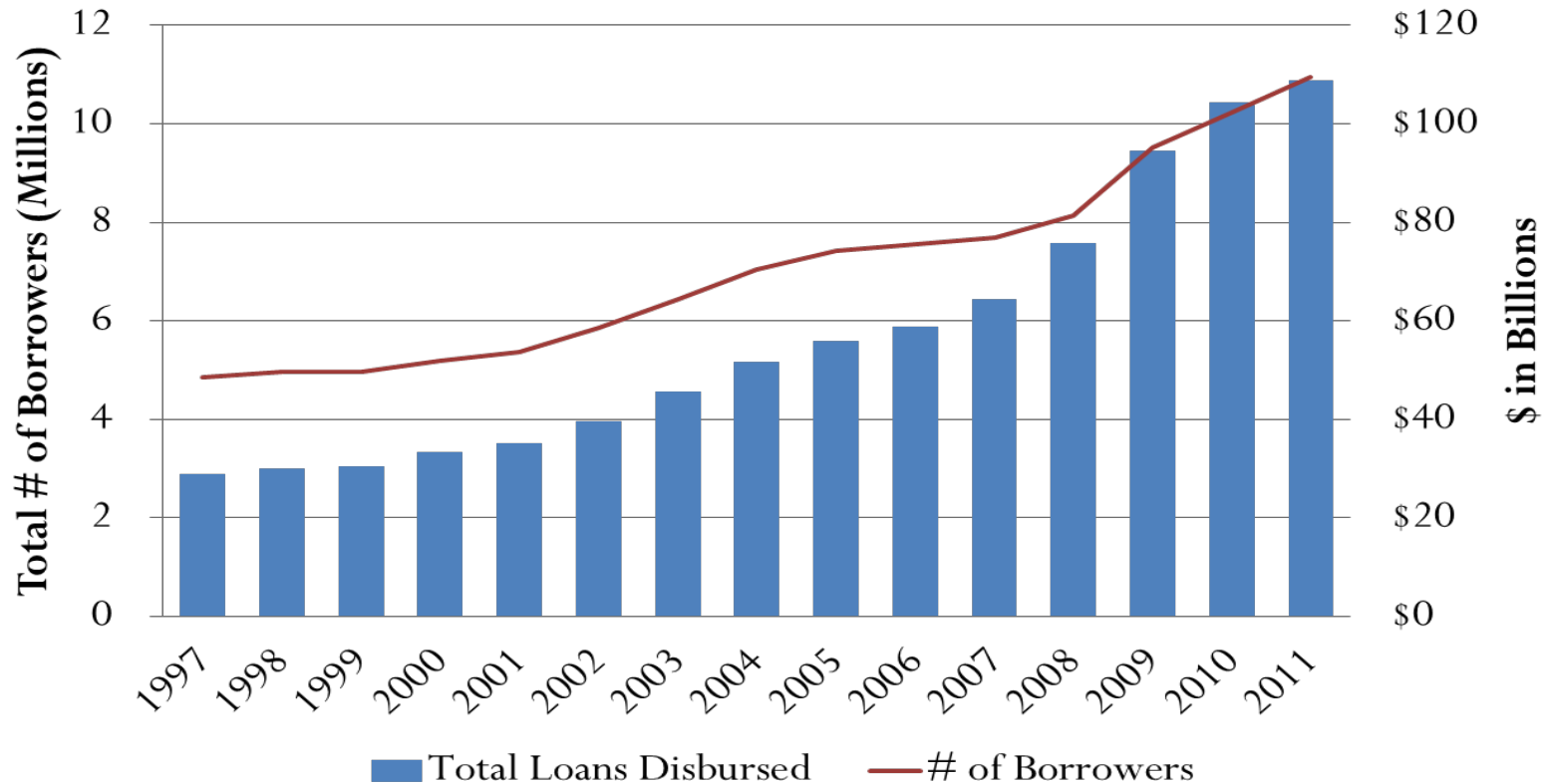
Loan Type	Who can borrow it?	Annual Limit	Total Limit	Interest Rate
Stafford (Dependent Students)	All eligible students (only low-income undergraduates get subsidized)	\$5,500 to \$7,500	\$31,000 (up to \$23,000 can be subsidized)	3.4% fixed (subsidized) / 6.8% fixed (unsubsidized)
Stafford (Independent Students)		\$9,500 to \$12,500	\$57,000 (up to \$23,000 can be subsidized)	
PLUS	Parents of dependent undergraduates	Cost of Attendance minus aid	None	7.9% fixed
Grad PLUS	Graduate Students	Cost of Attendance minus aid	\$138,500 (includes undergrad debt)	7.9% fixed
Perkins	All Students, but school chooses	\$5,500 (undergrad) / \$8,000 (grad)	\$27,500 (undergrad) / \$60,000 (grad)	5% fixed

# Federal Student Loan Overview

- As of the 2010-11 academic year:
  - The total Federal student loan debt outstanding was approximately \$800 billion.
  - There were 36 million Federal student loan borrowers.
  - This represented roughly 90 percent of student loan debt that is supported through the Federal student loan programs.

# Federal Student Loan Borrowing Trends

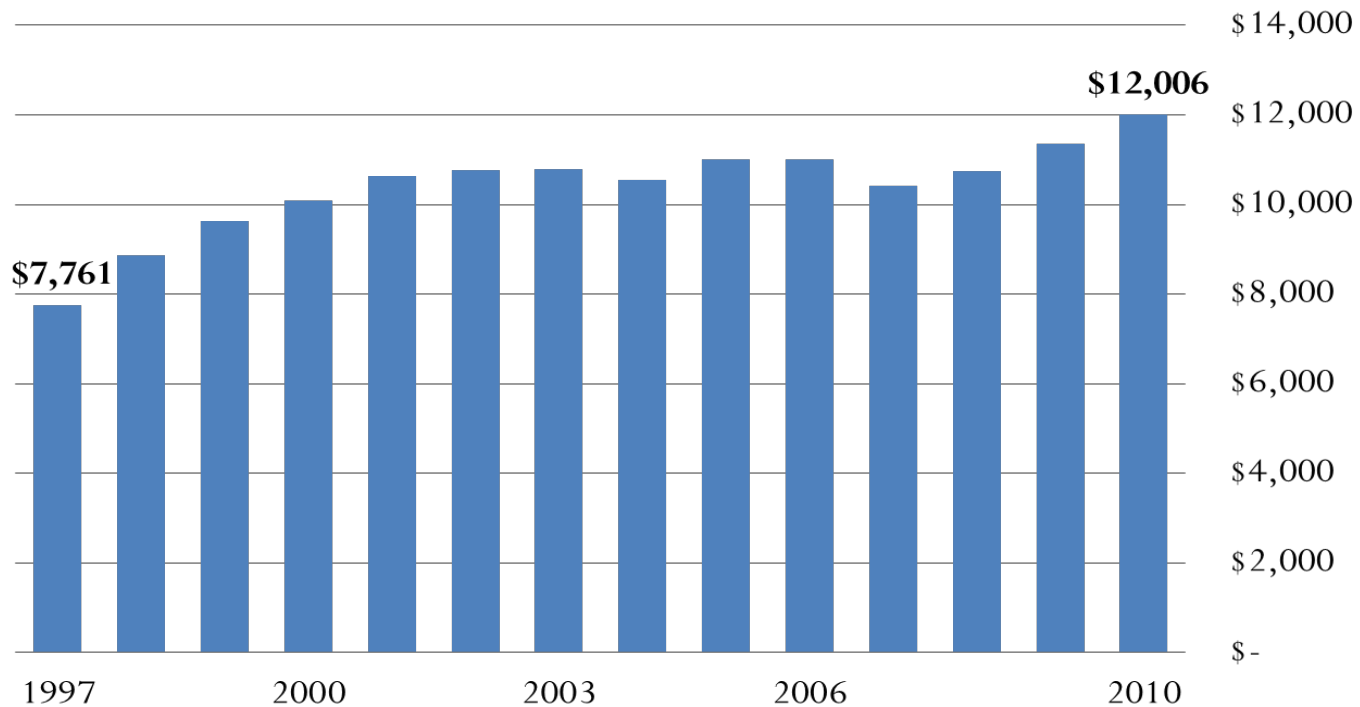
Total Federal Student Loan Debt Disbursed and Number of Borrowers, 1997 to 2011



Source: U.S. Department of Education

# Federal Student Loan Borrowing Trends

Median Undergraduate Balance Upon Entering Repayment, 1997 to 2010



Source: U.S. Department of Education



# Federal Student Loan Borrowing Trends

- Federal student loan borrowing varies greatly by sector ranging from 29.9 percent at public two-year institutions to 94.5 percent at private, for-profit institutions.
- While there have been increases in average cumulative student loan debt, most students are repaying their Federal student loans.

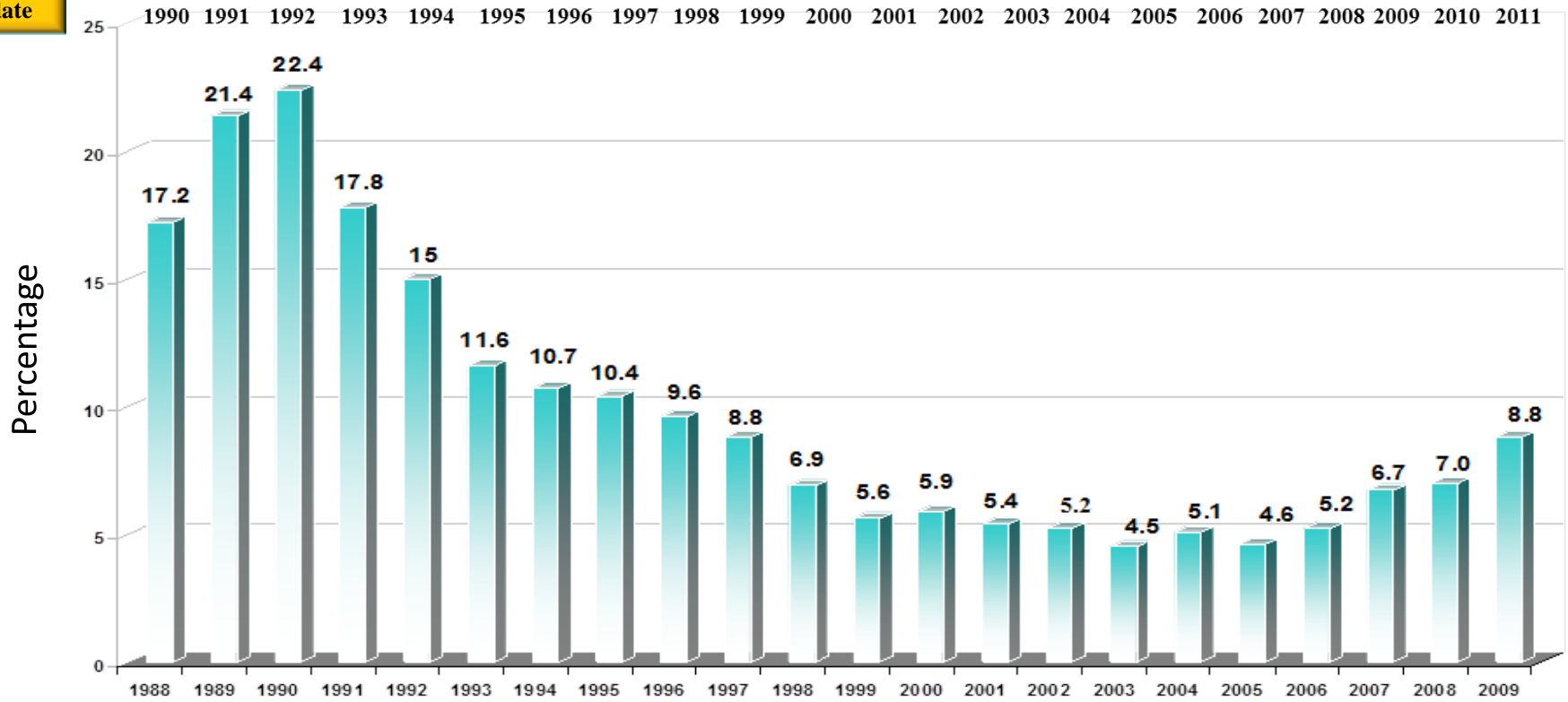
# Cohort Default Rates

- The primary measure for default rates, as required by statute, are calculated by the institution for a defined cohort period.
- Overall, while we have seen an uptick in the Cohort Default Rate (CDR) between FY 2008 and FY 2009, the rate is not near historically high rates.

# Cohort Default Rates

## National Student Loan Cohort Default Rates

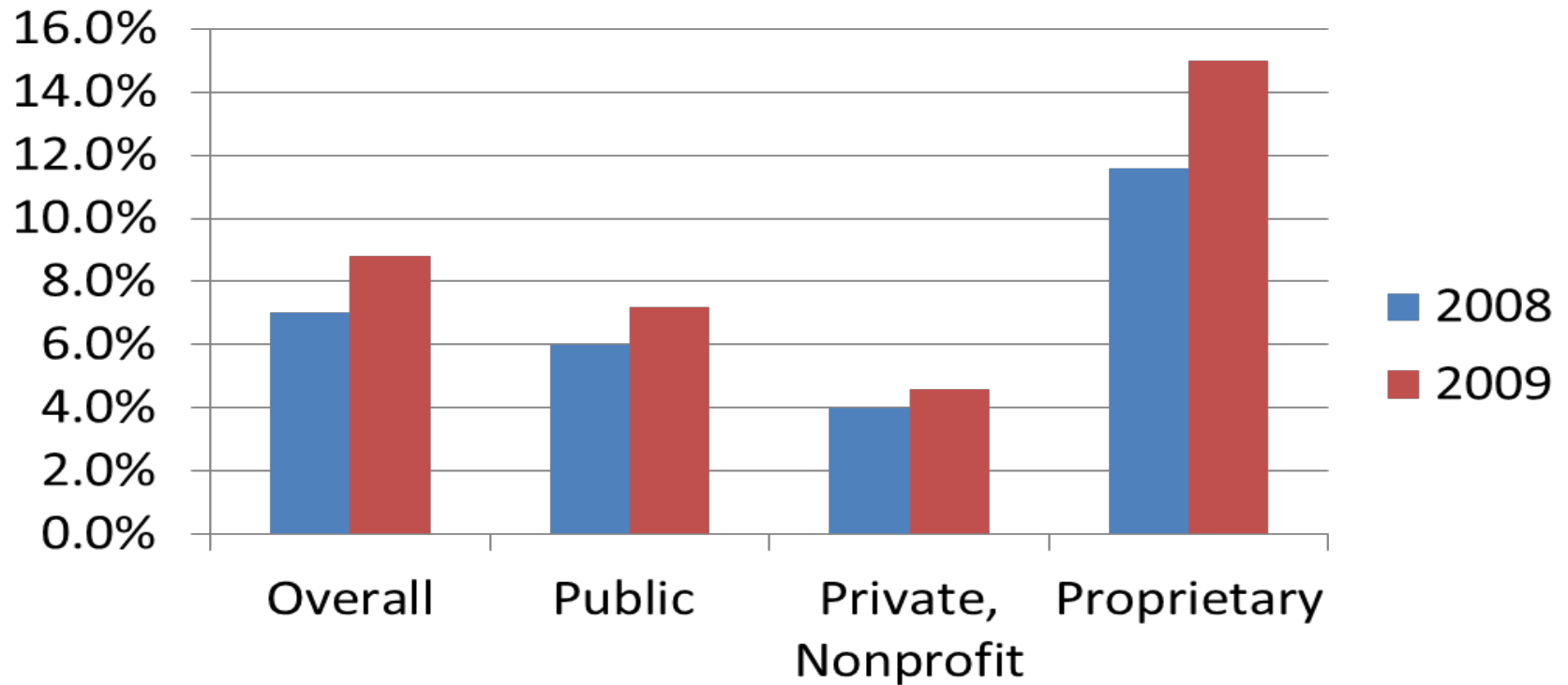
Issue date



Source: U.S. Department of Education

# Cohort Default Rates

## Institutional 2-Year Cohort Default Rates by Sector



Source: U.S. Department of Education

# Impact of Default on Borrowers

- Accelerates repayment obligation (balance and interest due immediately in full)
- Loss of eligibility for other debt management tools such as deferment, forbearance, and Income-Based Repayment (IBR) and Income-Contingent Repayment plans
- Loss of eligibility for additional federal student aid
- Loan assigned to a collection agency
- Loan reported as delinquent to credit bureaus, damaging credit rating
- Tax refunds or wages can be garnished

# Tackling Default

- Focusing on averting defaults
- Working with higher education institutions
- Strengthening options for borrowers
- Providing better information and debt management tools for borrowers
- Helping students make better educational investment decisions
- Protecting program integrity in the student financial aid programs

# Working with Colleges

- Higher education institutions participating in the Federal student loan program have a critical role to play in helping students avoid default.
- The Department works closely with colleges providing training and technical assistance to assist them with default prevention activities.
- Additionally, institutions with high CDRs (30% or greater) are *required* to develop a default management plan (specified in regulations).

# Working with Colleges (continued)

- Program integrity:
  - In response to recent trends including the uptick in CDRs and stagnant graduation rates, the Department has also worked to strengthen the regulations governing participation by higher education institutions in the federal student aid programs to ensure students, families, and taxpayers are protected.



# Repayment Options for Borrowers

- Federal student loan programs offer flexible repayment options:
  - Standard repayment
  - Income-based and income-contingent repayment
  - Graduated repayment
  - Extended repayment
  - Deferments
  - Forbearances

# Strengthening Repayment Options

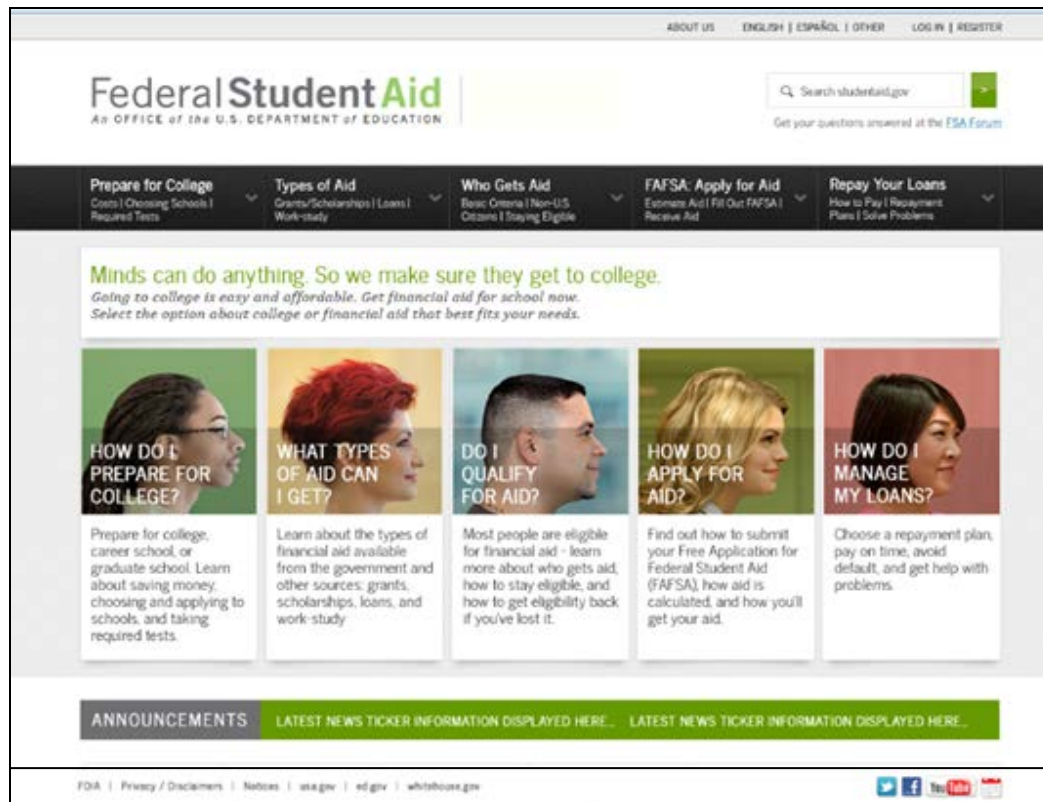
- New Pay As You Earn regulations
- Process improvements to help borrowers participate in income-based repayment options
- Broader outreach and improved customer service to ensure students are aware of flexible repayment options
- Better standards for defaulted student loan borrowers to rehabilitate their loans through regulations

# Better Tools for Borrowers

- Targeted customer service improvements:
  - Integrated and streamlined web experience across the student aid lifecycle
  - Clear and concise communication with borrowers
  - Upgraded tools and services for borrowers:
    - Mobile interface
    - Student loan counseling tool

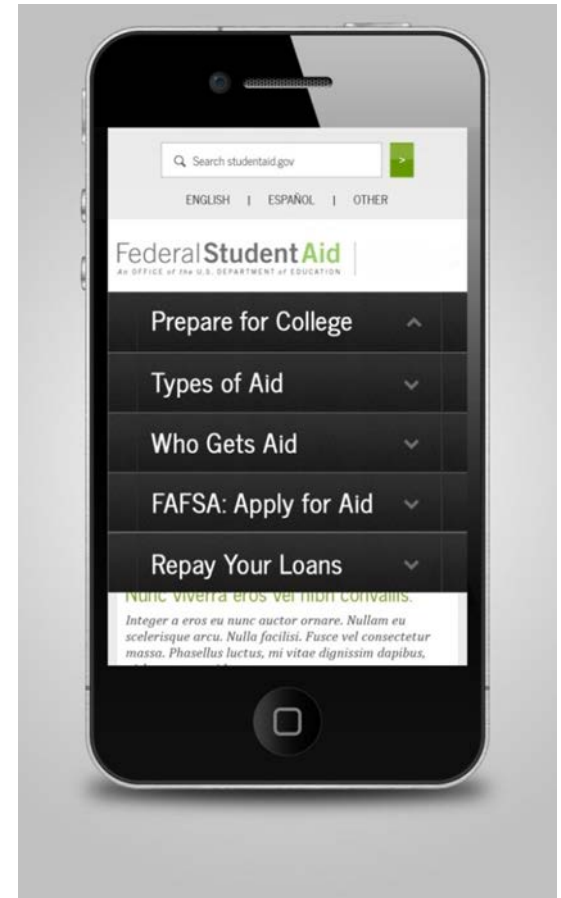
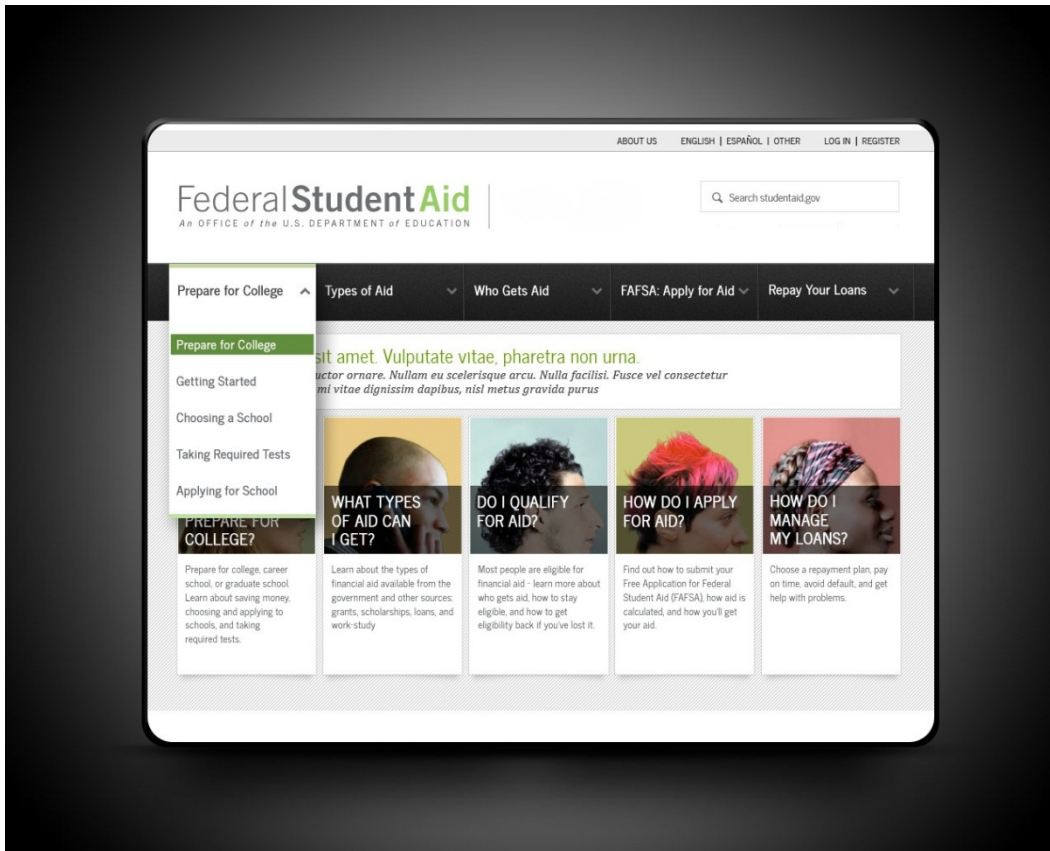
# Better Tools for Borrowers

## Integrated Student Experience



Source: U.S. Department of Education

# Better Tools for Borrowers (continued)



Source: U.S. Department of Education

# Better Tools for Borrowers (continued)

- Highly interactive tool which enables student borrowers to manage their loans.

Patricia, as of today you owe: **\$19,500**

You are responsible for paying all loans you receive, even if you do not graduate!

**Subsidized Loans**

Loan	Principal
Direct Stafford Subsidized	3,000
Direct Stafford Subsidized	2,000

**Unsubsidized Loans**

**PLUS Loans**

**Perkins Loans**

**Additional Loans**

The listing above does not include may not reflect all your federal student loans not listed.

**Repayment Tips \***

You can reduce how much you pay overall using the repayment tips below.

- Pay  extra per month
- Sign up for automated payments (lowers your interest rate by 0.25%)
- Reduce your loan balance by

\* Remember, you can use ALL of these repayment tips.

**Check Your Knowledge**

Based on your estimated loan balance when leaving school, what is your expected initial monthly payment?

Are there any penalties for paying off your federal loans early?

Yes  
 No

Selected Repayment Plan (from above)	If you pay \$100 extra per month	What You Save
Initial Student Loan Payment		
Total Payment Amount	\$33	
Interest Paid	\$5	
Loan Term (months)		

**Year Expenses This Year** **\$49,200** Estimate your funds this year

Enter the expenses you anticipate paying this year.

**Enter your educational expenses** 140,200

	Monthly	Yearly
Tuition and Fees	2800	33600
Housing	600	7200
Meal Plan	400	4800
Books and Supplies	200	2400
Transportation	100	1200
Enter your other expenses		10

**Not sure what to enter?** Visit [CollegeNavigator](#) and look up the expenses for your school. For students attending foreign schools, visit your school's website.

**Your Expenses This Year** **\$49,200**

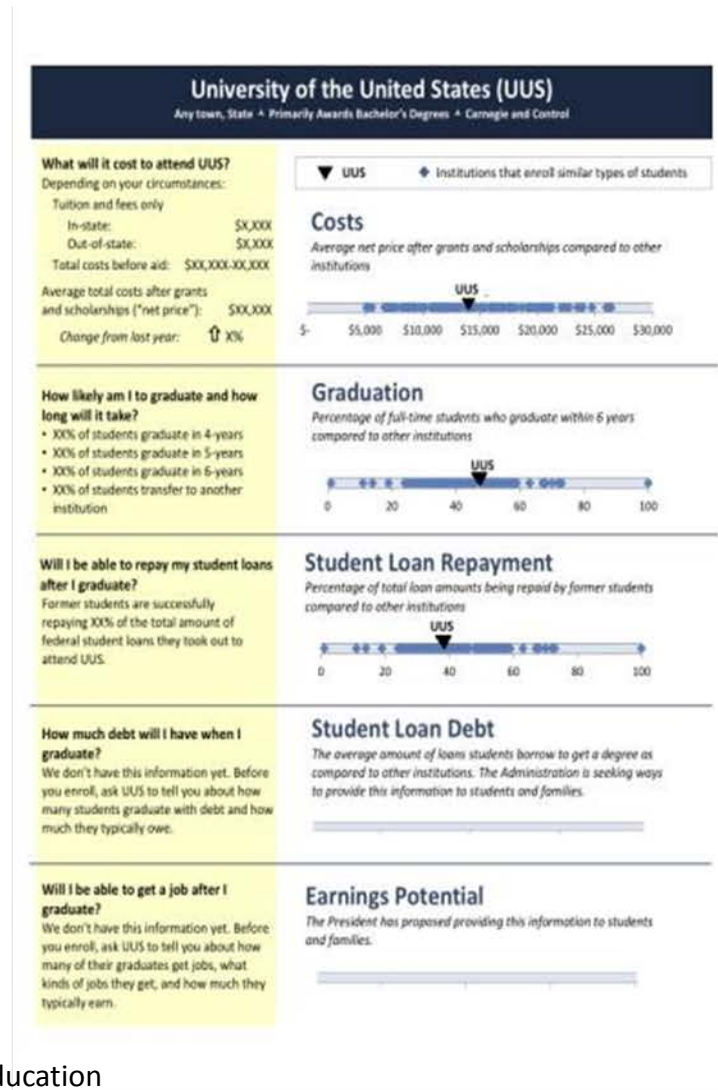
If your expenses exceed your funds, consider areas where you can decrease spending.

Source: U.S. Department of Education

# Improving Consumer Information

- Promoting greater transparency to promote better educational decisions:
  - College Affordability and Transparency Center
  - College Scorecard
  - Financial Aid “Shopping Sheet”
  - Financial Aid Award Comparison Tools

# College Scorecard



Source: U.S. Department of Education



# Financial Aid Shopping Sheet

## Student Specific Information:

Elements of cost of attendance appropriate for the specific student

Grant aid (does not have to be repaid or earned)

Net price after grants

Aid awarded but earned thru work

School recommended loan amounts under Federal Direct loan programs

General listing of other types of funding that can be used to meet net costs (including family contribution)

Space for institution to send custom message

University of the United States (UUS)

**Costs in the 2013-14 year**

Estimated Cost of Attendance for full-time enrollment	\$ XXXXXX /yr
Tuition and fees	\$ XX,XXX
Housing and meals (on-campus resident)	X,XXX
Books and supplies	X,XXX
Transportation	X,XXX
Other educational costs	X,XXX

**Grants and scholarships to pay for college**

Total Grants and Scholarships ("Gift" Aid; no repayment needed)	\$ XXXXXX /yr
Grants from your school	\$ X,XXX
Federal Pell Grant	X,XXX
Grants from your state	X,XXX
Other scholarships you can use	X,XXX

**What you will pay for the 2013-14 year**

Net Costs <small>(Cost of attendance minus total grants and scholarships)</small>	\$ XX,XXX /yr
--	---------------

**Options to pay net costs**

Work options

Work-Study (Federal, state, or institutional)	\$ X,XXX /yr
---	--------------

**Loan options\***

Federal Perkins Loans	\$ X,XXX /yr
Federal Direct Subsidized Loan	X,XXX /yr
Federal Direct Unsubsidized Loan	X,XXX /yr

\*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

**Other options**

Family Contribution <small>(As calculated by the institution using information reported on the FAFSA or to your institution.)</small>	\$ XX,XXX /yr
<ul style="list-style-type: none"> <li style="width: 50%;">• Payment plan offered by the institution</li> <li style="width: 50%;">• Military and/or National Service benefits</li> <li style="width: 50%;">• Parent PLUS Loan</li> <li style="width: 50%;">• Non-Federal private education loan</li> </ul>	

**Graduation Rate**

Percentage of full-time students who graduate within 6 years

11%

**Loan Default Rate**

Percentage of borrowers entering repayment and defaulting on their loan

12%

UUS Average    Comparative Institutions

**Median Borrowing**

Students at UUS typically borrow \$XXXXX in Federal loans over X years. The Federal loan payment over 10 years for this amount is approximately \$XXXX per month. Your borrowing may be different.

**Repaying your loans**

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to <http://www.studentaid.gov/repay-loans/understandplans>

**For more information and next steps:**

University of the United States (UUS)  
Financial Aid Office  
123 Main Street  
Anytown, ST 12345  
Telephone: (123) 456-7890  
E-mail: [financialaid@uus.edu](mailto:financialaid@uus.edu)

## Institutional Performance Metrics:

Student Right-to-Know graduation rate at 150 percent of normal time

Most recent cohort default rate

Median debt for completers

## Contact Information:

Where to go for more information

Source: U.S. Department of Education

Connecting Communities®

SPONSORED BY THE FEDERAL RESERVE SYSTEM 49

# Consumer Financial Protection Bureau (CFPB) and Student Loan Debt

**Rohit Chopra**

Student Loan Ombudsman,  
Consumer Financial Protection Bureau

# Contents

- About the CFPB
- The student loan marketplace
- Selected CFPB initiatives
- Potential implications on the broader economy and areas for further exploration

# Establishment of the CFPB

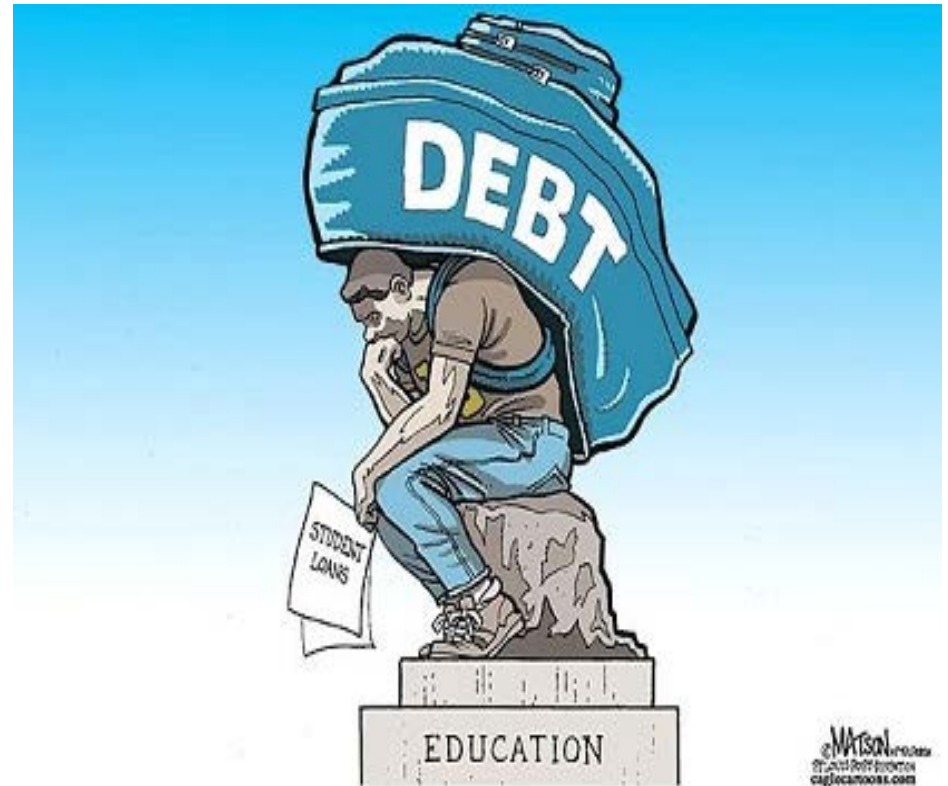
- In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was enacted, which created an independent consumer agency to oversee the financial services marketplace. The Act provides for the CFPB to engage in financial education, research, rulemaking, supervision, and enforcement.
- In July 2011, consumer protection functions from other bank regulators transferred, and the CFPB began supervising the nation's largest financial institutions.
- In March 2012, the CFPB launched the student loan complaint system at [consumerfinance.gov](http://consumerfinance.gov).
- Last month, the CFPB and U.S. Department of Education released a Report to Congress on Private Student Loans.

# The Growing Student Loan Market

- The total amount of outstanding student loans has reached the \$1 trillion mark in 2011. Delinquency and defaults have increased substantially.
- Outstanding private student loan debt has reached \$150 billion, with over \$8 billion in default status.
- Total student loans have grown by over 10 percent every year since 2005.

# Students Were Hit Hard by the Financial Crisis

- New college graduates have high unemployment rates.
- Shrinking public budgets put more pressure on colleges to fill gaps, increasing tuition at a faster rate.
- Tightening family budgets make paying for college harder.
- Student loan delinquency and default rates have jumped.



© WISN  
STUDENT LOAN DELINQUENCY  
CAGLOCAMOUS.COM

# CFPB Student Loan Complaint System

The screenshot shows the CFPB logo and name at the top left. Below it, the heading "File a student loan complaint" is followed by a sub-heading: "We'll forward your issue to the company, give you a tracking number, and keep you updated on the status of your complaint." A progress bar with five steps is shown below: 1. What happened? (orange bar), 2. Desired resolution (green bar), 3. My information (green bar), 4. Product information (green bar), and 5. Review (green bar). Underneath the progress bar, the text "My loan is \*" is followed by three radio button options: "Federal loan (Stafford, Direct, consolidation, PLUS, Perkins)", "Non-federal loan (Private, alternative, other student loan)", and "I am not sure".

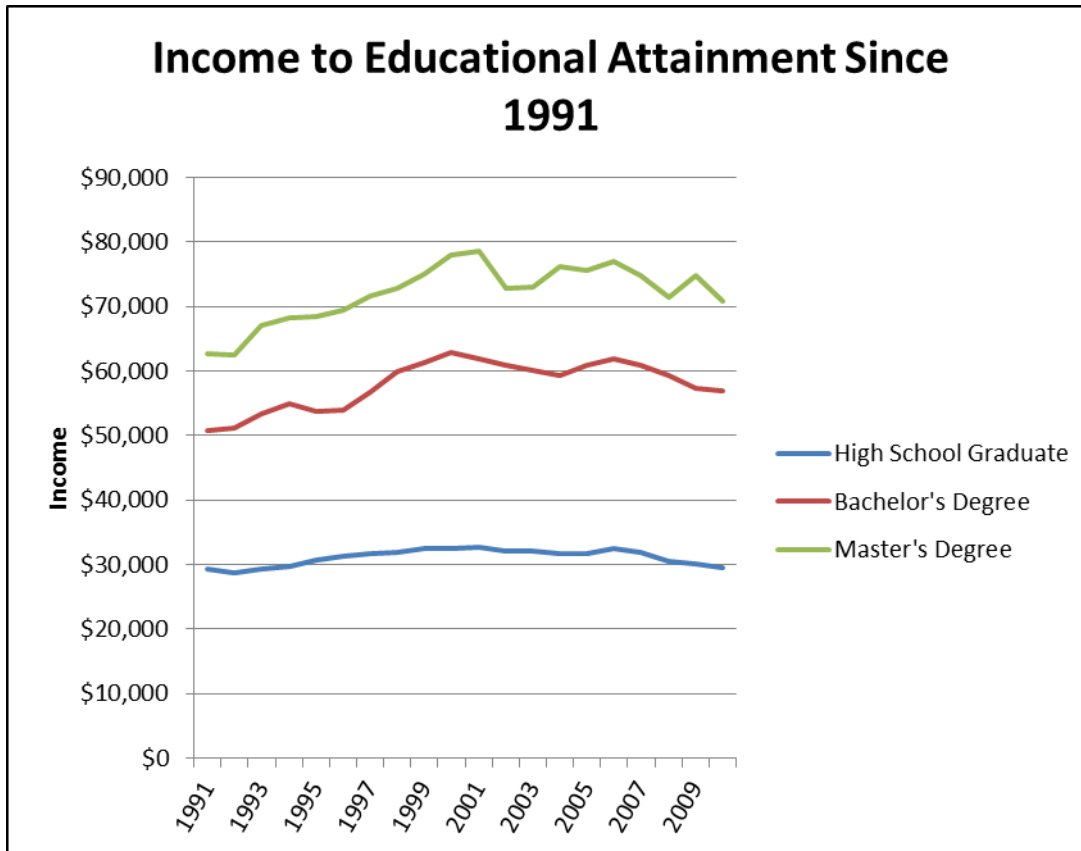
- When things don't go according to plan, the CFPB can help student loan borrowers with:
  - Getting a loan
  - Repaying a loan
  - When they are unable to repay a loan

# What We've Heard

- Even for borrowers making on-time payments with good credit history, there are few options to refinance and take advantage of lower rates.
- Struggling private student loan borrowers tell us they have a tough time modifying their repayment terms.
- Many were not fully aware of the differences between federal and private loans until it was too late.
- Borrowers worry that they'll be unable to own a home, start a business, or live a "normal" American life because of their debt.



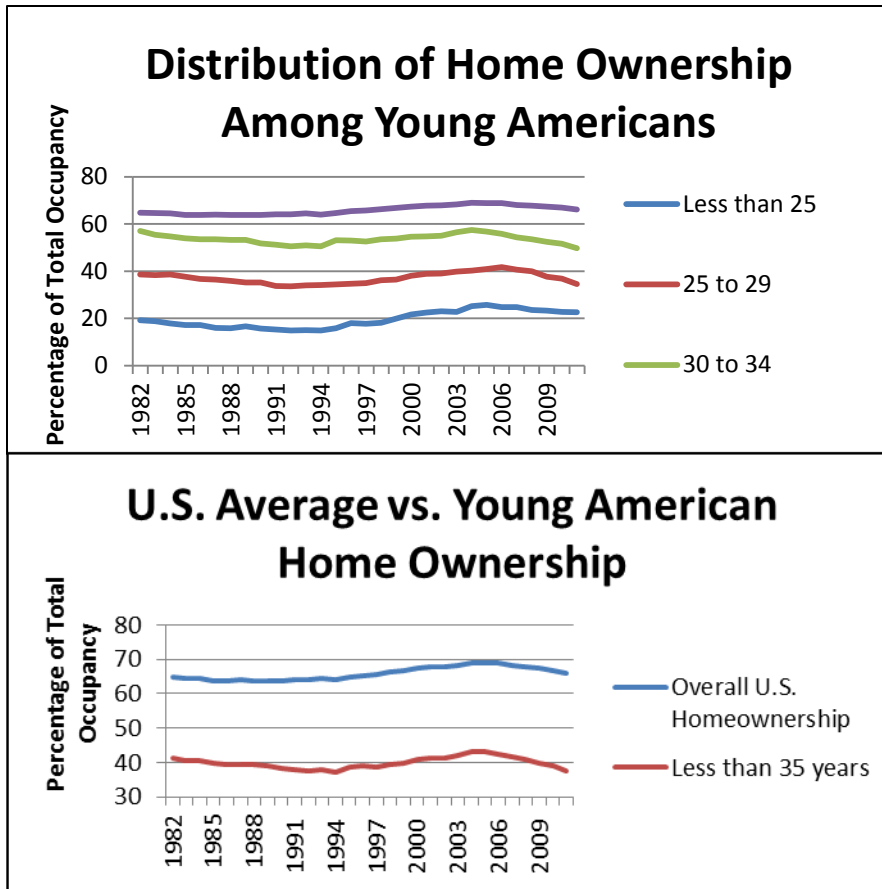
# Debt Has Grown, But Have Wages?



- Income for all educational levels have been falling consistently since 2007, except for a minor jump for Master's Degree holders.
- Degree holders earn nearly twice as much as high school graduates.

**Source:** U.S. Census Bureau, 2010. Educational Attainment—People 25 Years Old and Over by Mean Income and Sex: 1991 to 2010. Numbers are in 2010 dollars.

# Home Ownership Has Declined Among Young Americans



- The 25-29 age group has faced the greatest decrease in ownership since the crisis.
- The median age of first time home buyers has increased from 39 to 45 from 2010-2011.
- Americans under 35 have hit their lowest point of homeownership in 2011 at 37.7 percent since 1994 when young homeownership hit 37.3 percent.

Source: U.S. Census Bureau, 2010.

# Why Aren't Borrowers Refinancing Their Student Loans?

## Issues:

For loans made after 2006, “consolidation” doesn't lower federal student loan rates, it just reduces the number of loans a borrower separately pays.

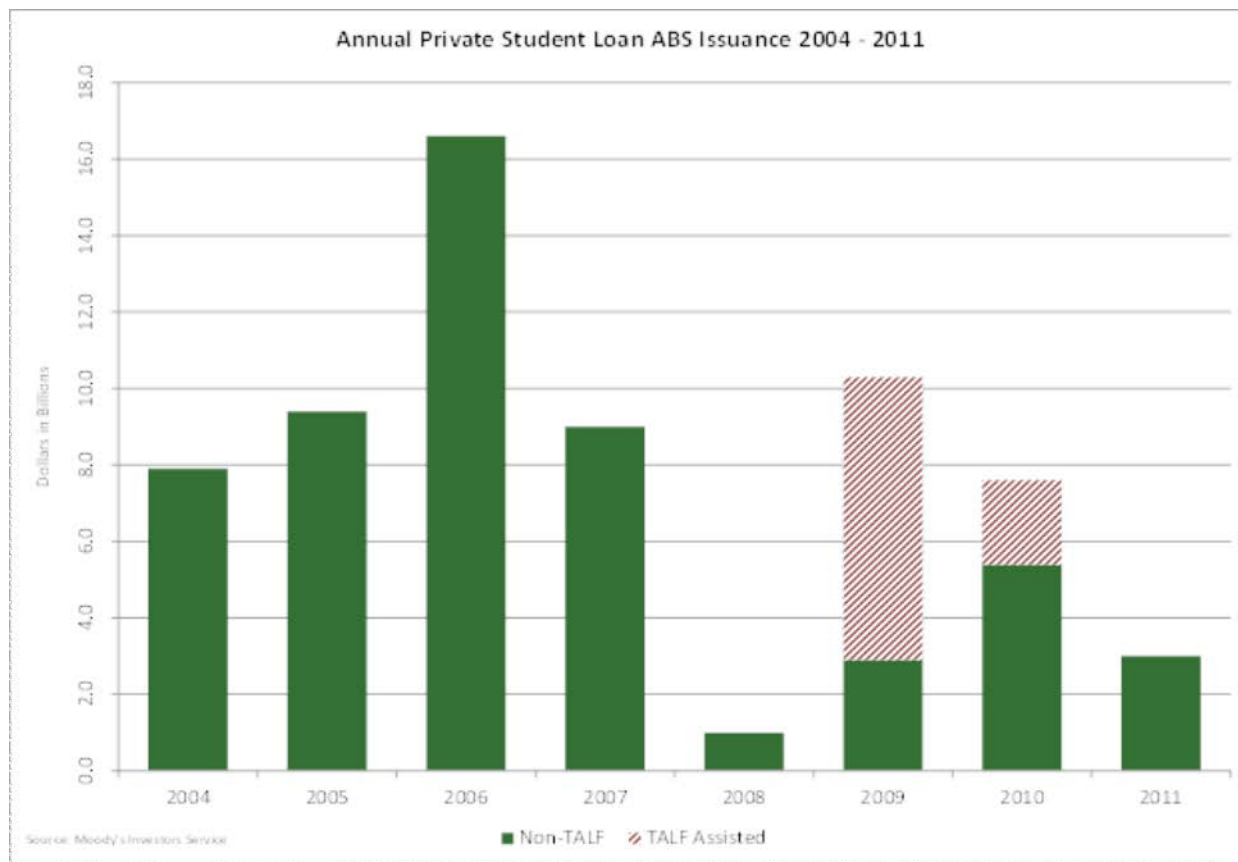
Few lenders in the market are offering refinancing products.

## Open questions:

Would lenders enter the market if they had access to:

- Adequate funding sources like warehouse credit?
- Take-out mechanisms through the Asset-Backed Securities (ABS) market or other means?

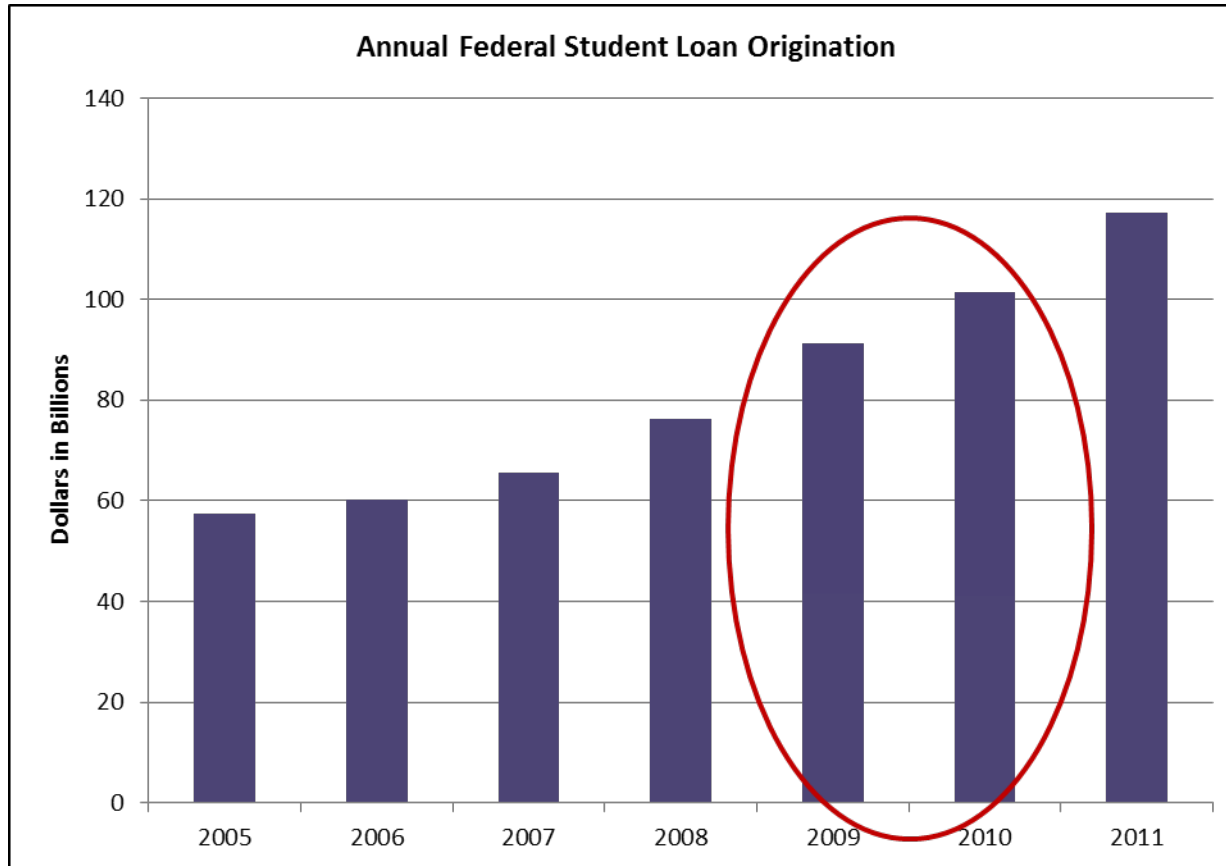
# Intervention by the Fed During the Crisis



The Fed's Term Asset-Backed Loan Facility program provided significant liquidity to the private student loan market.

Source: Report on Private Student Loans

# Intervention by Congress During the Crisis





Congress passed Ensuring Continued Access to Student Loans Act, which injected over \$100 billion in liquidity to ensure that banks could originate federal student loans.

Source: FSA Annual Reports

# Online Tool: Student Debt Repayment Assistant

- This interactive tool helps borrowers navigate various student loan options.
- Borrowers can learn more about:
  - Income-based repayment
  - Forbearance
  - Deferral for military service or economic hardship
  - Public service loan forgiveness

 Consumer Financial Protection Bureau An official website of the United States Government  (855) 411-2372

HOME INSIDE THE CFPB GET ASSISTANCE PARTICIPATE REGULATION **SUBMIT A COMPLAINT**

## Student debt repayment assistant


Before you start, it will be helpful to have a list of your loans, as well as the required monthly payment amounts. If you don't have this information, don't worry.

While our Student Debt Repayment Assistant can't give you advice for your exact situation, we hope it can point you in the right direction and help you learn about some of your options.

---

### QUESTION 1: FEDERAL, NON-FEDERAL, OR BOTH?

Are your student loans federal, non-federal, or a mixture of both?

 If you aren't sure what kind of loans you have, visit the [National Student Loan Database System for Students](#) and select "Financial Aid Review" for a list of all federal loans made to you. Click each individual loan to see who the servicer is for that loan (this is the company that collects payments from you). It's very important to know your servicer. This might be a different company from the original lender.

**Federal loans**


- Probably has a name like Stafford, Grad PLUS, Direct, or Perkins

**Non-federal loans**

- Issued by a bank, credit union, your school, or other lending institution
- Might use names like "private" or "alternative"
- Issued by a non-profit or state agency

If you're not sure whether you have non-federal loans, contact your school's financial aid office since they may have this information on file.

FEDERAL  NON-FEDERAL  BOTH

Share 

# Financial Aid Shopping Sheet

**University of the United States (UUS)**

**Costs in the 2013-14 year**

**Estimated Cost of Attendance for full-time enrollment** \$ XXX,XXX / yr

Tuition and fees .....	\$ XX,XXX
Housing and meals (on-campus resident) .....	X,XXX
Books and supplies .....	X,XXX
Transportation .....	X,XXX
Other educational costs .....	X,XXX

**Graduation Rate**

Percentage of full-time students who graduate within 6 years

**71%**

LOW
MEDIUM
HIGH

**Grants and scholarships to pay for college**

**Total Grants and Scholarships** (not Aid; no repayment needed) \$ XX,XXX / yr

Grants from your school .....	\$ X,XXX
Federal Pell Grant .....	X,XXX
Grants from your state .....	X,XXX
Other scholarships you can use .....	X,XXX

**Loan Default Rate**

Percentage of borrowers entering repayment and defaulting on their loan

**6%**

UUS Average

**12%**

Comparable Institutions

**What you will pay for the 2013-14 year**

**Net Costs** \$ XX,XXX / yr

(Cost of attendance minus total grants and scholarships)

**Options to pay net costs**

**Work options**

Work-Study (Federal, state, or institutional) .....

**Median Borrowing**

Students at UUS typically borrow \$XX,XXX in Federal loans over X years. The Federal loan payment over 10 years for this amount is approximately \$X,XXX per month. Your borrowing may be different.

\$

**Loan options\***

Federal Perkins Loans .....	\$ X,XXX / yr
Federal Direct Subsidized Loan .....	X,XXX / yr
Federal Direct Unsubsidized Loan .....	X,XXX / yr

\*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

**Repaying your loans**

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to: <http://studentaid.ed.gov/repay-loans/understand/plans>

**Other options**

**Family Contribution** \$ XX,XXX / yr

(As calculated by the institution using information reported on the FAFSA or to your institution.)

• Payment plan offered by the institution	• Military and/or National Service benefits
• Parent PLUS Loan	• Non-Federal private education loan


**For more information and next steps:**

**University of the United States (UUS)**  
**Financial Aid Office**  
 123 Main Street  
 Anytown, ST 12345  
 Telephone: (123) 456-7890  
 E-mail: [financialaid@uus.edu](mailto:financialaid@uus.edu)

- The shopping sheet developed by the Department of Education, with the help of the CFPB, helps give clear information to students on their loans and grants.
- Borrowers can easily:
  - Compare offers side by side
  - Get a sense of school quality indicators
  - Estimate how much debt they might end up with after graduation

# Visit Us Online to Participate



An official website of the United States Government 

 (855) 411-2372



[HOME](#) [INSIDE THE CFPB](#) [GET ASSISTANCE](#) [PARTICIPATE](#) [LAW & REGULATION](#) [SUBMIT A COMPLAINT](#)

## Proposed: No surprises and no runarounds

We're proposing new rules for mortgage servicing to make sure you can understand where you stand when it comes to paying your mortgage, and to make sure you're connected with all of your options. [Read more](#)



[www.consumerfinance.gov](http://www.consumerfinance.gov)



Do you have questions?  
E-mail us at:  
[communities@stls.frb.org](mailto:communities@stls.frb.org)

# Wrap-up/Closing

Thank you to today's presenters and to all participants for joining this session.

## Next steps:

- All session materials are available on our web site, and in the next few days we will be posting an audio file of today's session.
- Additional Federal Reserve System resources related to this topic can be found on our web site along with links to your local Federal Reserve Community Development office.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at [communities@stls.frb.org](mailto:communities@stls.frb.org).
- Information about future sessions will be posted on our website along with archived materials from past sessions: [www.stlouisfed.org/connectingcommunities/](http://www.stlouisfed.org/connectingcommunities/).