

## What if you can't pay your loan?

If you fail to repay on time, you are delinquent. If you stay delinquent, you will default and the entire loan balance becomes due. Default means trouble! Your tax refunds may be seized and wages garnished, and you may be ineligible for further student aid or other credit. But none of this has to happen. If you're having problems making payments, you may be eligible for a deferment or forbearance.

A **deferment** delays payment if you meet certain criteria including unemployment, rehabilitation training, economic hardship or enrollment in various academic programs.

**Forbearance** is a lender option that temporarily suspends or reduces your payments.

**Loan consolidation** lets you combine your student loans into a single loan with one monthly payment.

Remember, the longer your loan is in repayment, the more interest you'll pay, and the more your loan will cost you.

## Contact HESC.

The HESC Advocate Unit can work with you to avoid default. They can refer you to your lender or the nearest not-for-profit New York state-licensed credit and debt counseling agency.

Visit [www.hesc.org](http://www.hesc.org)

**HESC Customer Communications Center**  
1-888-NYSHESC • 1-888-697-4372

**If you are having trouble with repayment**  
1-888-215-0196 • [advocate@hesc.com](mailto:advocate@hesc.com)

**If you are in default**  
1-800-666-0991 • [defaulthelp@hesc.com](mailto:defaulthelp@hesc.com)

## SIMPLE SAVINGS CALCULATOR

There's no time like the present to start saving for your future. The sooner you start saving – and the more you put away every week or month – the more money you'll accumulate to reach your financial goals.

Whether you're looking to buy a new car or a home, start a business, travel, put your kids through college or retire comfortably, saving just a few dollars every week can really add up over time.

This calculator compounds an amount monthly over a fixed period of time at a fixed annual yield. It is a quick reference that shows your estimated earnings with regular investing.

\$10 per week, \$520 per year

Years	Total	Total value at:		
Invested	contributions	3%	5%	7%
<input type="text"/>				

\$20 per week, \$1,040 per year

Years	Total	Total value at:		
Invested	contributions	3%	5%	7%
<input type="text"/>				

\$25 per week, \$1,300 per year

Years	Total	Total value at:		
Invested	contributions	3%	5%	7%
<input type="text"/>				



**New York State Higher Education Services Corporation**  
99 Washington Avenue • Albany, NY 12255 • [www.hesc.org](http://www.hesc.org)  
Eliot Spitzer, Governor

## MANAGING YOUR STUDENT LOAN DEBT



## START BUILDING A SOLID CREDIT HISTORY.

Managing your student loan intelligently is an important step you can take to establishing a good credit history, which can help you reach your financial goals throughout your life - whether you're buying a car or home, starting a business, applying for a job or planning for retirement.

HESC can help you stay on top of your student loans and build a solid credit history. By following our common sense tips, you can meet your obligations, avoid common pitfalls and help safeguard your financial future.

### Create and stick to a budget.

Developing a budget will help you live within your income and manage your payments. Use this worksheet or visit Smart Borrowing at [www.hesc.org](http://www.hesc.org).

Monthly Income After Taxes	\$ _____
Monthly Expenses	
Housing	\$ _____
Telephone/Utilities	\$ _____
Student Loan Payment (See Loan Repayment Chart)	\$ _____
Food/Household Supplies	\$ _____
Transportation Costs	\$ _____
Automobile Costs	\$ _____
Gas	\$ _____
Insurance	\$ _____
Medical/Dental Insurance	\$ _____
Clothing	\$ _____
Emergency Fund Savings	\$ _____
Entertainment	\$ _____
Misc. Required Expenses	\$ _____
<b>Total Expenses</b>	\$ _____
<b>Remaining Funds</b>	\$ _____

## LOAN REPAYMENT CHART

This chart will help you quickly estimate your monthly loan payments and total interest.

Based on monthly payments at 6.8%

Amount Borrowed # of Payments Payment Total Interest

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To operate the calculator, slide the card so your amount borrowed shows in the left hand column. Your monthly payment and total interest will appear in the right two columns.

Use the top slot to calculate your approximate student loan payments and interest.

If you would like to estimate your monthly payments for an auto loan based on a 7 percent interest rate, use the bottom slot.

Based on monthly payments at 7%

Amount Borrowed # of Payments Payment Total Interest

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## CONTACT YOUR LENDER AND CHOOSE A REPAYMENT PLAN.

After you graduate, leave school or drop below half-time enrollment, you usually have six months before you begin repaying your loan. During this grace period - but no later than 90 days before you start repayment - contact your lender to choose a repayment plan. You have options other than the standard plans.

- A graduated schedule starts with a low monthly repayment that increases.
- An income-sensitive schedule bases your monthly payments on your income.

Be sure to pay your loan according to the repayment schedule. You can prepay part or all of your loan principal at any time without penalty, saving you money on interest. Ask your lender to apply these prepayments to your principal.

Choose a repayment plan that fits your budget. Your payments should not exceed 8 to 12 percent of your gross income.

Always notify your lender in writing if you change your name, address or phone number. Keep all correspondence in your financial aid file. Most important, contact your lender if you're having trouble repaying your loan.