

STUDENT STACKS

Your guide to better financial understanding

Office of Student
Financial Literacy

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Upcoming Events

UNDERSTANDING
STUDENT LOANS
11/18 @ 12 IN DD110

LUNCH PROVIDED

SIGN UP NOW



STUDENT LOANS 101

A student loan is when a person borrows money from the government or private lender to cover the costs of a college education. Interest is charged for borrowing money. **Interest** is the price a student pays on the amount, known as principal, taken out. There are federal **subsidized loans** (interest starts accruing after leaving school) and federal **unsubsidized loans** (interest begins the moment the funds are disbursed). Unsubsidized loans are available to undergraduate and graduate students whereas subsidized loans are only available to undergraduates. Money returned before the deadline each semester will not be charged interest and reduces the student loan principal and interest paid.

There are private student loans and the loan terms are explained in the contract. As with any contract, make sure you understand the terms by asking questions prior to signing for the loan.

Federal loans have two main repayment categories: standard and income-driven. Standard repayment has fixed payments over 10 years whereas income-based limits your payments to 10-15% of discretionary income depending on the plan.

Learn more about payment plans by joining us **in-person** on November 18th in DD110 at noon.

Lunch provided for the first 50 students to register.



November 18

**Deadline to return Fall
2022 student loan money**

December 2023

**Apply for Student
Loan Debt Relief**

Student Loan FAQs

HOW MUCH WILL MY LOAN COST ME?

This will vary based on your interest rate and selected payment plan. Try a few scenarios using the Smart Asset's calculator here.



WHAT ARE MY FEDERAL LOAN REPAYMENT OPTIONS?

Standard repayment divides what you owe by 10 years (120 payments) and is the default payment plan. If this is too expensive, there are alternatives with income-driven, graduated, and extended repayment plans. Changing to one of these plans will usually cost you more in interest.

ARE FEDERAL LOANS BETTER THAN PRIVATE?

Usually, federal loans are better because the interest rate is fixed and typically lower than private loans. Federal loans also provide different repayment plans and are included in many forgiveness programs.

WHERE CAN I FIND MY STUDENT LOANS?

You can find all your federal loans by logging in to studentaid.gov. Each loan received is reflected on your credit report. Cross check to ensure these are correct. Each loan will list the the date it was taken out and the interest rate.



**Only borrow what you need...
return the excess immediately.**



Challenge Time: Student Loan Simulator



Understanding what you have taken out in student loans is the first step to better financial understanding and peace. This month the challenge is to log into studentaid.gov and utilize the Loan Simulator. Scan the QR code to tell us which is the best student loan repayment strategy for you.

CONNECT

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