



STUDENT LOAN FORGIVENESS PROGRAMS

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GE-135671 (4/18)(exp.10/18)



Important Information

- ➔ *This presentation is for informational purposes only.*
- ➔ *While these discussions will summarize certain information about New York state and Federal student loan forgiveness programs for your convenience, they are not official explanations of the program. In the event of a discrepancy between any information provided in the presentation and any information provided directly by the state of New York or the Federal Government, the latter will prevail.*
- ➔ *AXA Advisors and its affiliates and associates do not provide tax/legal advice.*
- ➔ *These programs are subject to change. Please verify eligibility before pursuing any course of action.*



Agenda

1. Background
2. Loan Forgiveness Programs
3. Next Steps

Loan Basics: The Problem

- ➔ **Student Loan Debt** - \$1.5 Trillion
- ➔ **Auto Loan Debt** - \$1.2 Trillion
- ➔ **Credit Card Debt** - \$900 Billion



- ➔ Educators with a loan balance of **\$50,000** are expected to make payments as high as **\$600/month** under a standard repayment plan



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NYS Excelsior Scholarship

➔ NYS tuition free program

- ➔ Up to \$6,470 in tuition covered for the 2017-18 academic year
- ➔ SUNY and Community Colleges
- ➔ FIT, Cornell Ag. School, Alfred University

➔ Became available in Spring of 2017

- ➔ How many people are eligible for the program?

➔ Planning and Preparation

- ➔ AGI must be below certain threshold for each academic year:
 - 2017 \$100,000
 - 2018 \$110,000
 - 2019 \$125,000
- ➔ Previous Tax Return will be used



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Requirements and Guidelines

- Resident of NYS and have resided in NYS for 12 continuous months prior to the beginning of the term
- U.S. citizen or eligible non-citizen
- Have either graduated from high school in the United States, earned a high school equivalency diploma, or passed a federally approved "Ability to Benefit" test, as defined by the Commissioner of the State Education Department
- Pursuing an undergraduate degree at a SUNY or CUNY college, including community colleges and the statutory colleges at Cornell University and Alfred University
- Enrolled in at least 12 credits per term and complete at least 30 credits each year (successively), applicable toward his or her degree program;



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NYS Get On Your Feet Program

Specifics and qualifications as of December 31, 2015

- ➔ Legal resident of NYS and have resided in NYS for 12 continuous months
- ➔ U.S. citizen or eligible non-citizen;
- ➔ Graduated from a NYS high school or received a NYS high school equivalency
- ➔ Earned an undergraduate degree from a college or university located in NYS in or after December 2014
- ➔ Earned no higher than a bachelor's degree at the time of application
- ➔ Apply for this program within two years of receiving an undergraduate degree
- ➔ Enrolled in the federal Income Based Repayment plan or Pay as You Earn plan
- ➔ Have a primary work location in NYS, if employed
- ➔ Have an adjusted gross income of less than \$50,000
- ➔ Current on all federal or NYS student loans
- ➔ Current on the repayment of any NYS award
- ➔ In compliance with the terms of any service condition imposed by a NYS award

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Loan Forgiveness Programs

➔ **Teacher Loan Forgiveness:**

- ➔ 5 Consecutive teacher years in a Title 1 School
- ➔ Math, Science, or Special Ed \$17,500 forgiven
- ➔ Any other subject \$5,000
- ➔ **October 1, 1998-** Any loans taken out prior to this date may not qualify for forgiveness programs



➔ **What is the Process:**

- ➔ Complete 2-page application
- ➔ School district must sign off
- ➔ Paperwork gets sent to where the loan is held (Navient, NelNet, Fed Loan, Great Lakes etc.)
- ➔ You should receive a letter from your loan holder saying that the paperwork is being processed
- ➔ If approved, the amount forgiven will be deducted from your balance (no check is sent and the loan holder is not involved)

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Public Service Loan Forgiveness (PSLF)

➔ History:

- ➔ In 2007 Congress passed the College Cost Reduction and Access Act
- ➔ Gives individuals an incentive to have lower pay, but for a potentially better long-term pay off, depending on the circumstances

➔ Requirements:

- ➔ Borrower must work full time in Public Service which is non- profit 501 (c) (3), military, public schools, non-profit hospitals, or government.
- ➔ Loan repayment plan type must be one of the four IDR plans or the 10 year standard repayment plan.
- ➔ 120 qualified payments. Payments must be made within 10 days

➔ Good News:

- ➔ After meeting the guidelines and qualifications, the balance of federal loans will be forgiven



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Case Study: Jeremy

- Teaches physics at Geneva CSD, first year was a .4 teacher, is now full-time, will complete his 5th full time year in June of 2016
- Navient (formerly Sallie Mae) is the loan holder, loans taken from 2004-2010
- \$141,000 in student loan debt, \$62,000 Federal and \$79,000 Private
 - What does Jeremy qualify for?



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Who Can Help?

- ➔ **Call the Department of Education**
→ 800 433 3243
- ➔ **Call your loan holder**
- ➔ **Talk to your local AXA Advisor**



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Thank You

