

Consolidation, Loan Forgiveness, Deferment & Forbearance



Bluegrass



Community & Technical College

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What is Consolidation?

- * Combines all or some of your federal loans into a single Consolidation loan.
- * One monthly payment to make/one servicer instead of multiples.
- * May lower monthly payment by giving more time to repay (but with more interest owed long-term)
- * May reduce interest rate and keep time to repay the same (depending on mix of loans and when/how you consolidate).

What do I need to know about consolidation?

* **Standard Consolidation**

- Any mix of federal student loans Ok
- Available any time once loans in grace or repayment
- Lowers monthly payment by stretching payments over longer period, but means paying more interest long-term.
- Even if considering consolidation, you must make your payments on time until the consolidation has been processed.

Who qualifies for a Loan Forgiveness?

- * **Public Service Loan Forgiveness**
- * - Forgives any remaining student loan debt after 10 years for people who work for qualifying public service employers. (Military Service, Public Education, Public Child Care, Law Enforcement, Federal, State, or Local Government)
- * Other loan forgiveness programs are available for Nurses, AmeriCorps and Peace Corps volunteers as well.

What is a Loan Deferment?

* **Deferment**

- Allows you to temporarily postpone making payments on your loan.
- If you have a subsidized Stafford loan, the government pays your interest.
- If you have an unsubsidized Stafford or Grad Plus loan, you are responsible for the interest.

Forbearance: When Deferment Isn't An Option

- * Typically allowed at the lender's or servicers discretion.
- * Your payments are temporarily lowered or suspended.
- * If you don't pay your interest, it will accrue and be added to your balance at the end of the forbearance, even on subsidized Stafford loans.

Loan Repayment Calculator

- * Available online at <http://www.finaid.org/calculators/loanpayments.phtml>
- * Input simple data to get your repayment schedule

Loan Balance:	<input type="text" value="19,000"/>	<input type="button" value="x"/>
Interest Rate:	<input type="text" value="6.8%"/>	choose rate
Loan Fees:	<input type="text" value="1.8%"/>	
Loan Term (Years):	<input type="text" value="10"/>	choose extended term
Minimum Payment:	<input type="text" value="\$50"/>	
Enrollment Status:	<input type="text" value="In Repayment"/>	▼
Degree Program:	<input type="text" value="Associate's Degree"/>	▼
Total Years in College:	<input type="text" value="2"/>	
Print payment schedule?	<input type="radio"/> Yes <input checked="" type="radio"/> No	

CALCULATE

Contact Us

* Bluegrass Community & Technical College
Financial Aid Office
121 Oswald Bldg. / 470 Cooper Dr.
Lexington, KY 40506-0235

* **Financial Aid Phone Numbers**

* (855) 246-2477 office
(859) 246-4698 fax
(866) 774-4872 toll free

Financial Aid email address:

bluegrass-financialaid@kctcs.edu

Financial Aid website:

http://bluegrass.kctcs.edu/Costs_and_Financial_Aid