Repayment Calculators
How to avoid this at repayment!

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Suggested calculators

- www.FINAID.org
  - Simple “quick and dirty” calculator
- www.calculatestuff.com
  - Interest only calculator
- www.StudentLoans.gov
  - Repayment Estimator, great for “what if” scenarios
- www.AAMC.org/MLOC*
  - Preferred calculator for medical students

Reminders

- Loan servicer determines amounts*
- IDR** calculations are a set federal formula, used by all calculators
- You must add prospective borrowing after NSLDS upload for accuracy
- On time-driven plans, numbers will be off unless accrued interest taken into account

* Look for disclosure statement from loan servicer
** Income Driven Repayment plans like PAYE and REPAYE
Assumptions

• For time plans, loans held to term
• For income plans, no change in marital or tax filing status, or family size, no delays in annual renewal
• For income plans, set annual income increase*
• No aggressive payments and no interruption of payments

* Percentage increase used should be referenced in HELP section

www.FINAID.org

• Use for “quick and dirty” estimates for time driven repayment plans
• May help estimate payment with refinance loans
• Doesn’t accommodate different interest rates and accrued interest
• Easy to use
  – Go to Calculators, then Loan Calculator
  – Enter balance, interest rate, and term, leave everything else alone, hit calculate
Accrued interest

• Numbers will be off unless accrued interest taken into account
• Direct Unsubsidized and Direct PLUS (Grad PLUS) are unsubsidized loans
  – Interest accrues during school and 6 month window period after graduation*
  – Nobody pays this for you

* Capitalized at repayment (after 6 months, unless breaks)

Interest accrual impact

• $200,000 WITHOUT interest accrual*
  – $2,220 per month over 10 years
• $200,000 WITH interest accrual**
  – $2,560 per month over 10 years
  – Balance at repayment actually $227,994, not $200,000

* Used 6% rate
** Class of 2019, $50,000 per year ($40,500 Direct Unsub, $9,500 Direct PLUS)

Interest only calculator

• Balance does not come down until you pay more than interest due
• Google “Interest Only Calculator”
• Click on www.calculatestuff.com
  – Be sure you are sitting down
  – Put in estimated balance at repayment and interest rate
  – Use 10 year term, and 3 years interest only*

* Interest due monthly does not change based on how long interest only term is
www.StudentLoans.gov

• **Repayment Estimator**
  • The “what if ...” calculator
    – What if I get married, and what if I file jointly versus separately?
    – How high will my payment be as an attending physician?
    – What if I have children, what happens to my payments?

**Repayment Estimator**

• Use for one thing only
  – Impact of changes on monthly payment
• Does not take into account residency and fellowship training
  – Do not use for total repayment and forgiveness estimates with IDRs*
  – Do not use for PSLF estimates
  – Ignore the payment range with the IDRs, look only at the first payment in the payment range

* Income Driven Repayment plans like PAYE and REPAYE

www.StudentLoans.gov

*Image of a website page showing a calculator for student loan repayment.*

11/19/2019
Loans and marital status*
* Login and upload from NSLDS and add prospective borrowing, or...
* Manually put in estimate of all borrowing

PGY-1 stipend of $56,880
* Marital status selected as single, family size of 1

IDR PGY-1 payment*
* PGY-1 stipend of $56,880, single, family size of 1
Attending at $180,000

IDR payment at $180,000*

* Attending salary of $180,000, single, family size of 1

Married filing jointly
Input joint income*

* $56,880 stipend plus $100,000 salary for spouse

IDR PGY-1 payment*

* Payment with joint income of $156,880, filing jointly, family size of 2
* This example assumes spouse has no federal student loans

Married filing separately*
Input separate incomes*

* $56,880 stipend for you, then $100,000 salary for spouse

IDR PGY-1 payment*

* Payment with joint income of $156,880, filing separately, still family size of 2
* This example assumes spouse has no federal student loans

Common PAYE question

What income would cause me to no longer show Partial Financial Hardship (PFH) and result in my monthly payment (still in PAYE) maxing out (capping) at the original Standard 10 year amount?
AAMC MLOC* 
Medloans Organizer and Calculator

- Medloans Organizer
  - Keep your borrowing history here
    - Upload federal borrowing from NSLDS**
    - Manually input prospective borrowing

- Medloans Calculator
  - Customize repayment strategy
    - Input different career scenarios based on residency, fellowship, and projected salary
    - Note potential forgiveness amounts, including PSLF
    - New feature for married borrowers

* www.AAMC.org/MLOC or www.AAMC.org/FIRST
** National Student Loan Data System at NSLDS.ed.gov
Repayment summary

Takeaways

• Calculators prevent shock at repayment
• Loan servicers determine amount, but you should never be surprised at what it is
• Use MLOC at least once a year
• Remember assumptions
• Never use Repayment Estimator for total repayment and forgiveness estimates