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Anthony,

Take Charge America would like to thank you for completing your student loan counseling and budget session with our Student Loan Department. Your counselor for this session was Jeremy Wine. If at any point you have additional questions or need further assistance, please do not hesitate to call our Student Loan Department. Our phone number is **877.784.2008**, and our email is **studentloans@takechargeamerica.org**.

Please review the following summary outlining the details of the Comprehensive Counseling Session for your Student Loans.

Federal Student Loans

In the comprehensive counseling session, we completed the **consolidation application for your student loans**. During the application process, you selected the **Standard Extended Repayment Option, which makes your monthly payment \$276**. Once your consolidation application has processed, you will receive a new repayment schedule from your servicer. During the consolidation application, you chose to remain with **Nelnet as your servicer**. **I have included their contact information below along with Sallie Mae's contact information since they currently hold your loans until the consolidation application has processed.**

After completing the consolidation application, we conference called both of your servicers. In our conference call with **Sallie Mae (SM)**, **we spoke to Susan who stated you had forbearance time available. As such, she submitted 90-day forbearance on your student loans with SM, which makes your next due date with SM October 15, 2014. Please note that your consolidation application should be processed by this point, which will place all your loans with Nelnet.** After completing the conference call with SM, we spoke to **Justin from Nelnet who stated your next payment is not due until September 15, 2014. During the call, Justin cancelled your online quick-pay and recommended that you go online to verify this had been cancelled.** Again, your consolidation application should process prior to September 15, 2014. However, you can request forbearance on these loans if your consolidation application has not processed by this date.

In regards to the PLUS loans in your parents name, I was not able to secure a lower payment for you than you already have. Based upon our conversation, your decision is to maintain payments toward these loans as they are. You may want to consider increasing payments in the short-term while your consolidation application processes and your federal student loans are in a period of postponement. Note that you may accrue interest in periods of postponement. Therefore, you may want to contact your servicers to set up interest only payments during the consolidation process so that the balance of your student loans does not grow.

Nelnet will become the only servicer you have once the consolidation application has processed. Currently, however, your student loans are still with the following servicers, who can be contacted with questions related to your loans.

1. **Sallie Mae**
Attn: ED Loan Consolidation
P.O. Box 6180
Indianapolis, IN 46206-6180
800.722.1300
<http://go.salliemae.com/content/edServicing/federalLoans/>
2. **Nelnet**
P.O. Box 82658
Lincoln, NE 68501-2658
888.486.4722
www.nelnet.com

CONSOLIDATION: BENEFITS & DRAWBACKS

BENEFITS

- **Simplicity:** You will have one monthly payment and one lender.
- **Lower Payments:** If you extend the length of your repayment term with a consolidation loan, your total monthly payment could be lower than your current combined monthly loan payments.
- **Multiple Repayment Options:** A Direct Consolidation Loan may be eligible for a number of federal repayment or forgiveness programs, including Income-Based and Income-Contingent Repayment, Pay As You Earn, and Public Service Loan Forgiveness.
- **Maintain Subsidy Benefits:** If you consolidate a subsidized loan you will keep any subsidy benefits for the portion of your consolidation loan that repays your subsidized loan.
- **Postponement Options:** If you have already exhausted your deferment and forbearance options on your individual loans, a consolidation loan may renew those postponement options.
- **Defaulted Loans:** If your loan has defaulted, you may be able to renew your loan's eligibility for certain federal repayment programs through consolidation.

DRAWBACKS

- **Interest Costs:** While a Direct Consolidation Loan can help you secure a fixed interest rate for your loans, you may pay more in interest over the life of the loan if you extend your repayment term.
- **Loss of Benefits:** You may lose special benefits attached to your original loans if you consolidate. For instance, Perkins loans have cancellation benefits and subsidy benefits that are lost if consolidated.

Other recommendations:

Many servicers will give you a 0.25% break on your interest rate for setting up payments on automatic debit. Be sure to confirm if all of your loans are receiving the 0.25% break.

You may consider speaking with a tax advisor to ask about taking advantage of tax deductions related to the repayment of your student loans.

Budget

Your budget is created from the numbers given during the assessment. As can be seen, your original budget numbers display a deficit within your budget of **\$396**. This deficit occurs due to your current \$900 student loan payment. This payment will drop to approximately **\$776** once you begin your new student loan payment schedule, which will occur once the consolidation application has processed. As such, the deficit in your budget will adjust to **\$272**. Therefore, I made additional modifications within your budget to enable your income to cover all expenses. First, I decreased your expense for eating out from \$400 per month to \$200 per month. This is a difference of \$50 per week but can be done by eating more meals at home, packing lunches, using coupons, and eating out at low cost restaurants. Second, I adjusted your budgeted allowance for recreation from \$250 to \$150 per month. This is approximately a difference of \$25 per week. Doing so not only balances your budget but also provides for you to start putting \$25 per month in savings, which I have also included in your modified budget. If it becomes difficult for you to truly make these adjustments, then you can reduce how much you spend monthly toward clothing, groceries, and gas for your car. A lot of discretion is available within your budget concerning how much is spent on variable expenses. As such, I encourage you to work develop your budget a bit more to determine how much you want to put towards these expenses. Further reduction in expenses will enable greater remaining income, which can be used at your discretion.

	Current	Proposed
Student Loan Payments	\$900	\$776
HOUSING EXPENSES		
Rent/Mortgage	\$550	\$550
Renter's Insurance	\$115	\$115
Electricity	\$30	\$30
Natural Gas/Heating Oil	\$30	\$30
Water/Sewer/Garbage	\$0	\$0
Cellphone	\$100	\$100
Cable with internet	\$130	\$130
Satellite	\$0	\$0
Repairs/Maintenance	\$0	\$0
TRANSPORTATION EXPENSES		
Car Payment 1	\$300	\$300
Car Payment 2	\$0	\$0
Gasoline	\$200	\$200
Auto Insurance	\$110	\$110
Repairs/Maintenance	\$50	\$50

Registration/Taxes	\$6	\$6
Public Transportation	\$0	\$0
Tolls	\$0	\$0
FOOD AND HOUSEHOLD EXPENSES		
Groceries	\$300	\$300
Outside Meals	\$400	\$200
MISCELLANEOUS EXPENSES		
Child Activities – Instrument	\$0	\$0
Child Care	\$0	\$0
Donations and Tithing	\$0	\$0
Collections	\$0	\$0
Installment Loans	\$0	\$0
Grooming	\$15	\$15
Credit Cards, Personal Loans	\$350	\$350
Life Insurance	\$0	\$0
Medical Insurance	\$0	\$0
Out-of-Pocket Medical/Co-Pays	\$0	\$0
Recreation	\$250	\$150
Savings & Investments	\$0	\$25
Clothing	\$50	\$50
School Lunches	\$0	\$0
Other – Memberships	\$10	\$10
Budget Summary		
Total Monthly Income	\$3500	\$3500
Total Monthly Expenses	\$3896	\$3497
Deficit/Disposable Income	\$396	\$3

Payment for Your Comprehensive Student Loan Counseling Session

Per our conversation, we have set up a single payment for you in the amount of **\$249, which was processed on 6/26/14.**

Again, Take Charge America appreciates you utilizing our service to assist in your student loan repayments. Please let us know how we are doing and pass along our information to your friends and family who may also be struggling with their student loan payments.

Respectfully,
 Jeremy D. Wine



Ph: 877.784.2008 | Fax: 623.266.8515

www.takechargeamerica.org

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