**Client First and Last Name**

**Client Street Address**

**Client City, State Zip Code**

**Client First Name,**

We would like to thank you for completing your student loan counseling session with Take Charge America (“TCA”). 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.

**Loan Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Servicer** | **Loan Type** | **Loan Status** | **Balance** | **Interest Rate** |
| (insert name of servicer here) | (insert type of loan here) | (insert loan status here) | (insert loan balance here) | (insert interest rate here) |
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|  |  |  |  |  |
|  |  |  |  |  |
| **TOTAL** | | | **$(insert total)** |  |

**Forbearance**

Since your student loan payments are not affordable at this time, you have requested your servicerplace your loans in a temporary forbearance. During forbearance, payments are not due, but interest will continue to accrue on your loans.

During forbearance, you can temporarily stop making payments or reduce your monthly payment for up to 12 months. Most servicers allow at least 36 months of forbearance on federal loans. Forbearance should be used sparingly – only if you have exhausted all of your other options – because interest will continue to accrue on all loans during forbearance.

If you can afford to, you can elect to pay the interest during the forbearance period so it does not capitalize. If you do not pay the interest, it will be added to your principal balance, and the amount you pay in the future will be higher.

**Understanding Your Forbearance**

Benefits

* **Immediate Relief**: You do not have to make payments while in forbearance.
* **Interest Only Payments**: If you are able, you can make interest only payments during your forbearance to prevent interest from capitalizing (being added to your principal balance).
* **36 Months**: Student loans typically are allowed 36 months of forbearance.

Drawbacks

* **Interest Costs**: If you are unable to make interest only payments during your forbearance you may pay more in interest over the life of the loan.
* **Yearly Renewal**: You must reapply each year to extend your forbearance.

**Other Recommendations**

* Set a reminder for yourself 60 days prior to your required 12 month renewal application due date to ensure you meet the deadline.
* When you no longer need your forbearance set up payments on automatic-debit to take advantage of a 0.25% reduction in your interest rate.
* Stay in touch with your loan servicer and update your contact information if you move so you do not miss any important paperwork.
* You may consider speaking with a tax advisor to ask about taking advantage of tax deductions related to the repayment of your student loans.
* Stay organized. Keep all of your student loan paperwork for your records.

**Budget**

We highly recommend that you review the budget you created with your ClearPoint counselor.  We encourage you to look into the resources and recommendations made by your counselors to further assist you in handling your finances.  If TCA can be of further assistance do not hesitate to contact us at <http://www.takechargeamerica.org/> or call 866-528-0588.

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.

Sincerely,

*(insert counselor name here)*

877-784-2008

[studentloans@takechargeamerica.org](mailto:studentloans@takechargeamerica.org)