**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)** |  |

**Income-Based Repayment**

You have elected to enroll your federal student loans on the **Income-Based Repayment Plan (IBR**). Payments on this plan are based on your Adjusted Gross Income (AGI) and your family size.

**Maintaining Income-Based Payments**

Each year to maintain your income-based payments, you must re-certify your income and family size. This can be done online at [www.studentloans.gov](http://www.studentloans.gov). You can request to re-certify your income each year by selecting the electronic **IBR/Pay As You Earn/ICR request**. When the system prompts you to select the reason for submitting the request, you will select: “*I am submitting annual documentation for recalculation of my monthly payment amount under my current repayment plan*.”

If your loan servicer does not accept electronic IBR requests, you can re-certify your income by sending a paper copy of the [IBR/Pay As You Earn/ICR Request Form](http://ifap.ed.gov/dpcletters/attachments/GEN1222AttachFINAL1845dash0102Expires20151131.pdf) to your loan servicer(s).

You should receive notification from your servicer when you have to re-certify your income each year, but it is strongly recommended that you set your own reminder, so that you remember to re-certify 60 days prior to this anniversary.

**Key Features of IBR**

* Your payment amount will increase or decrease if you experience changes to your income or family size. Your payments will never be greater than what you would be required to pay on the Standard (10-Year) Repayment Plan.
* While enrolled on IBR, your payments may be so low that your loan balance will increase. This is called *negative amortization*, and it happens if your payment is so low that it does not cover the monthly interest that accrues on your loans. For subsidized loans, the government will waive any interest that accrues above your monthly payment for the first three years under IBR. For unsubsidized loans, the interest will continue to accrue but will not be capitalized while you have a partial financial hardship.
* Because you are making lower payments under IBR, the amount of interest you pay over the life of the loan may be higher than what you would pay under the Standard Repayment Plan. Remember that once you can afford to do so, you can begin to pay more than your IBR payment. You can choose to target any of your loans with extra payments to get out of debt sooner.
* The IBR Plan is designed to allow for loan forgiveness of any remaining balance after 25 years of qualifying payments. If you do receive loan forgiveness after 25 years, you may need to pay income tax on the forgiven balance.

**Other Recommendations**

* If your payments on the IBR plan increase and you need a lower payment, you may qualify for the **Pay As You Earn Plan** in the future. President Obama recently announced a plan to expand PAYE to more borrowers starting at the end of 2015. You can contact your servicer at that time to ask if you qualify for the PAYE Plan.
* If you return to school, you also qualify for an in-school deferment. Be sure to contact your servicer to request this deferment.
* 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.

**Payment**

Per our conversation, we have set up (insert either: a one time payment OR a 2 payment cycle OR a 3 payment cycle) for your comprehensive counseling session. Payments will be processed in the amount of **$(insert dollar amount here) on (insert date here), (insert date here, if needed) and (insert date here, if needed).**

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)