**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- contingent repayment**

You have elected to enroll your federal student loan(s) on the Income-Contingent Repayment Plan (ICR). Payments on this plan are based on your Adjusted Gross Income (AGI) and your family size.

Each year to maintain your income-contingent 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 ICR 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).

The key features of the ICR program are as follows:

* Your payment amount on ICR will increase or decrease if you experience changes to your income or family size.
* While enrolled on ICR, your payments may be less than your interest which may increase your loan balance causing *negative amortization.* When this happens, the interest is capitalized (added to your principal balance) once per year, interest capitalization is stopped once your balance is 10% higher than your original balance when you began repayment. Interest will continue to accumulate after that point, but will not be capitalized.
* The amount of interest you pay over the life of the loan may be higher than under the Standard Repayment Plan. Remember that once you can afford to do so, you should increase your payment to pay down your loan faster. You can choose to send in extra payments to get out of debt sooner.
* The Income-Contingent Repayment 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 ICR 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 FedLoan Servicing 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)