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If you are having trouble making payments, alternative repayment plans may make your monthly payments more affordable and help you avoid default. The **Standard Repayment Plan** requires a fixed payment amount each month and generally results in the lowest amount of accrued interest over the life of the loan. Other repayment plans, which may offer lower monthly payments but cost more over the life of the loan, include:

- **Income-Sensitive** – Payment amount changes annually and must cover the accrued interest on the loan. Requires annual verification of income.
- **Graduated** – Payment amount gradually increases.
- **Extended** – Payments can be extended to a maximum of 25 years, if loans borrowed on or after 10/7/98 and if total FFELP loan debt exceeds \$30,000.
- **Income-Based** – If your federal student loan debt to income ratio is high, maximum payments are based on your income and family size. Debt after 25 years of qualifying payments can be forgiven. Requires annual verification of income and total loan amounts.

Repayment plans may be changed once a year. If your loan defaults, you may face a 24.34% collection cost, poor credit rating, loss of financial aid, deferment and forbearance eligibility, or garnishment of wages, tax refunds or federal payments. Options for avoiding default include: the repayment plans listed above, forbearance, deferment or loan consolidation.

During a forbearance, you may be eligible to temporarily stop making payments or make smaller monthly payments. Interest continues to accrue and may result in paying more over the life of the loan. If interest is not paid, it may be capitalized (added to the principal balance). To be considered for a forbearance, you should contact a servicing team member and explain your temporary circumstances.

If you have questions regarding this letter or your student loans, please contact a servicing team member at the number provided. For your convenience, you may also visit the website at www.studentloanpeople.com.

Sincerely,

Loan Servicing Center