

## **Federal Direct Loan Repayment Information**

Generally, you'll have from 10 to 25 years to repay your loan, depending on which [repayment plan](#) (there are several) you choose. The loan servicer will notify you of the date your first payment is due. If you do not choose a repayment plan, you will be placed on the standard repayment plan, with fixed monthly payments for up to 10 years. Most Direct Loan borrowers choose to stay with the standard repayment plan, but there are other options for borrowers who may need more time to repay or who need to make lower payments at the beginning of the repayment period.

You can find more information on the different payment plan options online at <http://studentaid.ed.gov/repay-loans/understand/plans>. You can change repayment plans at any time by contacting your loan servicer.

If you have trouble making payments on your loans, contact your loan servicer as soon as possible. Their staff will work with you to determine the best option for you. Options include:

- Changing repayment plans
- Deferment, if you meet certain requirements. A deferment allows you to temporarily stop making payments on your loan
- Forbearance, if you don't meet the eligibility requirements for a deferment but are temporarily unable to make your loan payments. A forbearance allows you to temporarily stop making payments on your loan, temporarily make smaller payments, or extend the time for making payments.

If you stop making payments and don't get a deferment or forbearance, your loan could go into default, which has serious consequences.

If you default:

- You will be required to immediately repay the entire unpaid amount of your loan.
- You may be sued by the Department of Education. They may take all or part of your federal and state tax refunds and other federal or state payments, and/or they may garnish your wages so that your employer is required to send the Department of Education part of your salary to pay off your loan.
- You may have to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You may be denied a professional license.
- You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments.
- Your default will be reported to national consumer reporting agencies (credit bureaus).