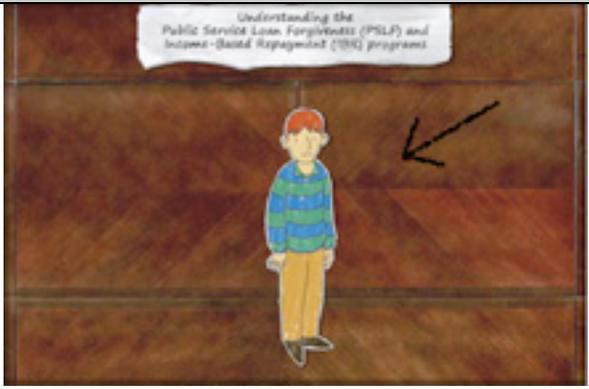
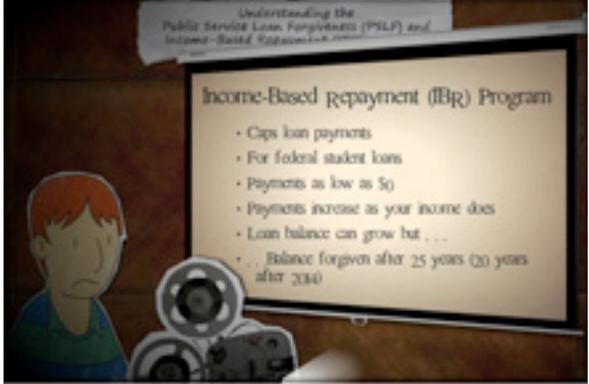
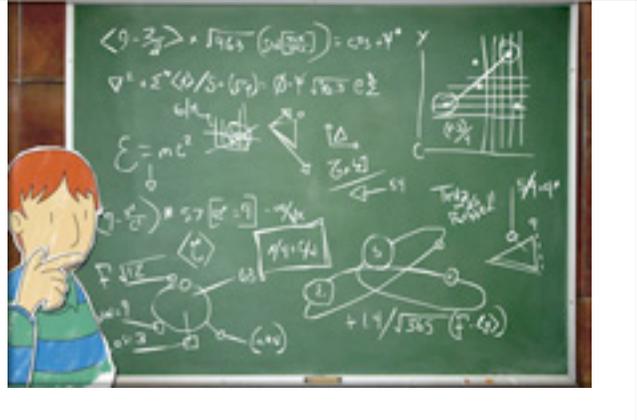
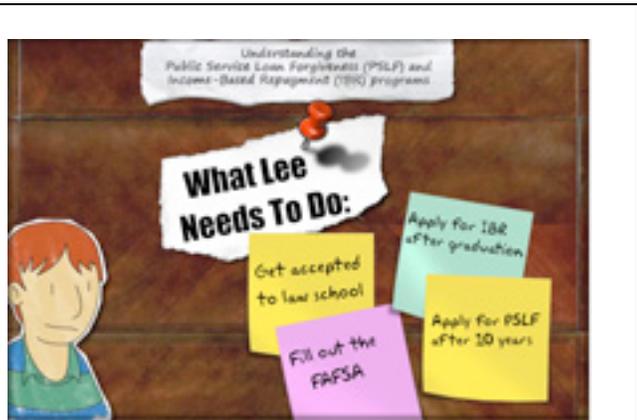


View	Narration
	<p>This is Lee.</p>
	<p>Lee always wanted to go to law school.</p>
	<p>While serving as a VISTA, he realizes his dream is to become a lawyer working with a government or nonprofit agency to conserve wilderness areas for future generations to enjoy.</p>
	<p>He knows lawyers doing this kind of work don't make a lot of money, but that's never been his motive. Making a difference in the world and having time for the people and things he loves most are more important to him. Things like the arts, his family, and enjoying the great outdoors.</p>

View	Narration
 <p>Understanding the Public Service Loan Forgiveness (PSLF) and Income-Based Repayment (IBR) programs</p>	<p>He's got the grades and test scores to get into a good law school. There's just one problem: the cost. The price tag for three years at the school of his choice is \$150,000.</p>
 <p>Understanding the Public Service Loan Forgiveness (PSLF) and Income-Based Repayment (IBR) programs</p>	<p>Since he doesn't have deep pockets, Lee will have to rack up student debt and then put in long hours in private practice to make his loan payments.</p> <p>Or maybe not . . .</p> <p>Thanks to two federal student loan programs, Lee's nonprofit law career might just pan out. They are called, "Income-Based Repayment" and "Public Service Loan Forgiveness." With these programs, Lee might be able to make low monthly loan payments for a few years and then have his debt wiped off the books completely.</p> <p>These programs are open to any student, but can be especially useful to VISTA and AmeriCorps members who go on to find work in the government or nonprofit sectors. Let's see how Lee can use them to pursue his dream.</p>
 <p>Understanding the Public Service Loan Forgiveness (PSLF) and Income-Based Repayment (IBR) programs</p> <p>Income-Based repayment (IBR) Program</p> <ul style="list-style-type: none"> • Caps loan payments • For federal student loans • Payments as low as \$0 • Payments increase as your income does • Loan balance can grow but . . . • . . . Balance forgiven after 25 years (20 years after 2010) 	<p>Income-Based Repayment, or IBR, caps your monthly student loan payments based on your income. For some borrowers, IBR loan payments can even be as low as zero dollars per month – no matter the size of the loan.</p> <p>The payments increase when your income goes up, but it can still mean huge savings during the years you are starting a career and not making much money.</p> <p>IBR works with federal student loans except Perkins. Private loans are not eligible.</p>

View	Narration
	<p>Because your low monthly payments may not cover all the interest due, the interest will be added to the total amount you owe. If your income skyrockets and you lose your eligibility for IBR, <i>that interest</i> can hurt you. If your income remains modest over time, your debt will be forgiven in twenty or twenty-five years, depending on when you took out your loans.</p> <p>But twenty-five years is a long time! At that rate, Lee might still be paying off his loans when his kids are in college! That's where Public Service Loan Forgiveness, or PSLF, comes in.</p>
	<p>PSLF is for student borrowers who work in government and nonprofit jobs. It encourages graduates to pursue public service careers.</p> <p>PSLF forgives any federal student loan after <i>ten</i> years, as long as you make steady, monthly loan payments and work full time with a nonprofit or federal, state, or local government agency, including school districts, the military, and national service.</p> <p>You can use the program in combination with IBR to make low monthly payments for ten years, or 120 months, and then have your debt wiped out!</p>
	<p>To qualify for PSLF, you'll need federal Direct Loans. If you already have Direct Loans then great! If not and you want to qualify for loan forgiveness, you'll have to consolidate your loans from other lenders into Direct Loans. Any federal student loans you take out after July 2010 will automatically be Direct Loans.</p> <p>You'll then make 120 full and on-time monthly payments while working full time for a qualifying government or nonprofit agency.</p>

View	Narration
	<p>So how will this help Lee?</p>
	<p>Let's say Lee goes to law school and graduates with \$150,000 in federal loan debt. He then accepts a job making \$40,000 a year with a nonprofit environmental agency.</p> <p>On the standard 10-year payment plan at seven percent interest, Lee's monthly payment would be \$1,742 and would eat up over half his annual income!</p> <p>But by participating in the IBR, he can lower his payments to \$297 a month, or about nine percent of his annual income. If he takes out loans on or after July 1, 2014, his payments would be even lower -- \$197 a month or about six percent of his annual income.</p> <p>Then, after ten years, he qualifies for the PSLF program, and the original \$150,000 he owed and \$40,000 in unpaid interest are wiped out!</p>
	<p>So what are Lee's next steps to reach his dream? First, he needs to apply to law school and fill out the Free Application for Federal Student Aid or FAFSA. Then, he should take out federal loans for whatever additional money he needs after other grants and scholarships are awarded. After he graduates and takes a nonprofit or government job, he should apply to participate in the IBR program to lower his monthly loan payments. Then after ten years of employment, he can apply to have his remaining debt forgiven through the PSLF program.</p>

View	Narration
 <p>The illustration shows a man in a dark suit and tie standing next to a large check. The check is from 'Lee Bank' and is payable to 'Student Loan' for the amount of \$4,000. Above the check, a sign reads 'Understanding the Public Service Loan Forgiveness (PSLF) and Income-Based Repayment (IBR) programs'. The background is a wood-paneled wall.</p>	<p>Thanks to the IBR and PSLF, Lee can use his talents and passions to serve the public without losing his shirt!</p>