

Spring 2022 Loan Exit Counseling Questions and Answers

These are a list of questions asked during our recent Loan Exit Counseling presentations for students graduating in the spring and summer 2022 quarters. This list is not exhaustive; if you have questions that aren't listed here, please contact Student Financial Services at sfs-info@spu.edu or by calling us at (206) 281-2061 and we would be happy to help answer them.

I was told that students who are graduating with their master's but going straight into their Ph.D. are still required to complete the exit packet? is this true?

Yes, when you graduate from a program you need to complete Exit counseling for any loans you received, even if you are going directly into your Ph.D. This Exit Counseling needs to be completed online at <https://studentaid.gov/exit-counseling/> for any federal loans you have taken out as well as for the TEACH Grant, Perkins, Nursing, and SPU Institutional Loan exit counseling can be completed at

Completing the exit counseling program does not necessitate that I have to start repaying my master's degree loan(s), correct?

Correct, while you are enrolled at least half time your loans will be in deferment and completing exit counseling will not put you into repayment; that occurs regardless of whether or not it is completed after the grace period ends. It is best to check with your loan servicer if it is a private loan, though, as some have different rules for deferment.

It is also important to note that unless the loan is subsidized, it will still be accruing interest while deferred. However, federal student loan interest is paused currently until August 31, 2022.

Are you able to adjust the monthly amount you pay in the Graduated payment plan?

Yes, you can work with your loan servicer to adjust the monthly payment amount. You can also pursue other payment plan options that might be better for your financial needs.

I am taking 8 credits to finish my graduation requirements over the summer, how does this impact my financial aid and loan repayment situation?

Great question! While you are enrolled at least half time your loans will remain in deferment. Your grace period will begin and exit counseling will need to be completed once you are no longer enrolled. Half-time enrollment for undergraduate students is at 6 credits or more per quarter, while graduate students are considered to be enrolled half-time at 3 credits at SPU.

What exit requirements are relevant to students who just completed a master's degree in-route to a PhD?

Exit counseling completion is required every time you graduate from a program, even if you are going to continue schooling before your grace period(s) would end. You are expected to complete this counseling within 30 days of graduation.

Is interest accrual paused as part of this pause signed by the President until August?

Yes! Interest accrual and payments are both paused for federal loans at least through August 31st, 2022, as part of the CARES Act.

Does the Presidential pause on student loan repayment only apply to the Dept. of ed/Nelnet loans?

Yes, this pause only applies to federal loans held by the Department of Education (Direct Loans, FFEL/Stafford Loans, Perkins Loans); however, check with your loan servicer(s) for other loan types, as some are also providing the pause.

Is this the case for both subsidized and unsubsidized loans?

Yes, all Federal Direct Loans are not accruing interest while on the pause, regardless of whether they are considered subsidized or unsubsidized.

I am taking a gap year before going into a master's program, does my interest stop accruing when I enter graduate school? Do I still have to make payments on my undergraduate school loans while in grad school?

For federal loans, repayment will begin after a 6-month grace period. Once you are enrolled in grad school, those loans will be deferred again so long as you are enrolled at least half-time. Only subsidized loans have interest paid for by the government while you are enrolled. Other loans accrue interest the whole time, except right now while on pause due to the CARES Act, which currently runs until August 31st, 2022.

Do you know of loan forgiveness programs for mental health therapists?

It may qualify if you are in the Public Health Sector and for certain Non-Profits. I recommend looking though studentaid.gov for help on which types of employment qualifies:

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service#pslf-help-tool>

Is the federal loan interest tax deduction \$2,500 dollars per year? Or is it a maximum of \$2,500 dollars per loan?

It is a loan tax deduction of up to \$2,500 per year, based on the interest you paid on your student loan(s) that year. See [IRS Publication 970](#) for more information.