Model Project: Student Loan Debt

Introductory Notes for Instructors
In order to illustrate what is expected from the student project groups we created a model project to present to students. Our model project aims to look at the effect of student loan debt after a student has graduated. The topic of student loan debt was chosen in part because it fits in well with the other financial topics in the course and because we have become increasingly aware that many of our students graduate with student loan debt and many of these students do not really understand their situation relative student loan debt.

The calendar for the projects-based course (page 13) shows the class time allocated for each stage of the model project and the due dates for each stage. “What is Due at the End of Each Stage” (page 26) shows the required elements of each project stage. At the outset of each stage, the instructor typically will briefly go over what is due for that stage, describe the kind of work required for survey-based and case-study based projects, spend time going over elements of the model project, and make available to students finished elements of the model project to demonstrate what the product for that stage might look like. Finally, any specific recommendations the instructor may have for each of the project groups are given.

At the outset to Stage 1, we begin by using the “Summary of Background Investigation” transparency (page 36) to introduce and motivate the topic, and then hand out the model project framework (page 35). The framework is reviewed and the class discusses what further background investigation is needed. To get students thinking a little about eventually presenting their work, we ask the students for input on what would have made the presentation of the material on the Summary of Background Investigation transparency more interesting. (Students will generally mention the need for graphics or that using PowerPoint would be better than an overhead transparency. One instructor introduced typos into the transparency intending for the students to find and comment on them.) Finally, the requirement for a glossary and annotated bibliography is pointed out, and the model project’s glossary (page 38) and annotated bibliography (page 39) are reviewed.

At the outset of Stage 2, we begin by introducing the stage as a time for planning and preparation and what that typically entails. For the model project, we discuss the need for incorporating various aspects (such as a second loan, subsidized or non-subsidized loan) into the case-study and planning what kinds of calculations will be done. This is reflected in the “Outline of Plan of Action” on page 40, which is made available to students. We discuss the need for realism and documentation of assumptions in a case study. This is modeled for students by going over why various aspects of the model case study were included and pointing out the footnotes documenting the various assumptions. Finally students are reminded that in this stage they are to create any necessary data forms and sample data collection forms for the model project are made available. For the benefit of students working on survey-based projects, we discuss the need for careful planning of survey instruments, sampling techniques, and data recording.

Just before students are to begin work on Stage 3, we introduce the idea that this is the stage in which all surveys and calculations are to be completed. We give class time to students to carry out some of the calculations needed for the model project such as calculations of the monthly loan payments, credit card payments, tax approximations etc. (This also serves as a review of topics previously covered relating to finances.) Students are advised that complete calculations and explanations need to be given and the “Income and Expense Summary” form (page 43) and the “Excerpt from Explanation of Calculations” (page 45) is reviewed. Finally, the conclusions that can be drawn from the model project are discussed. For the benefit of students working on survey-based projects, we review the types of calculations that are
typically associated with surveys. The “What Mathematics Should We Do for Our Project” (page 29) can be very helpful here.

When students are ready to begin Stage 4, we review the requirements and advice given in “What is Due at the End of Each Stage,” but do not present a final report for the model project. We emphasize that work done for earlier stages can be used as a framework for the final report, that an active response to their findings such as a letter to the editor should be taken, and that every group member is required to have a speaking role in the final presentation.
**Student Loan Debt (Model Project) Project Framework**

**Purpose:** To calculate a prototypical student’s loan balance at the end of her/his undergraduate studies and to estimate the impact of this loan balance on this student’s life once s/he starts working.

**Introductory Reading:**

Go to LMU’s Von der Ahe library page, click on find articles, click on alphabetical list, click on LEXISNEXIS Academic Universe, and search for this article.


**Project Stages**

Stage 1. **Background Investigation:** Read the Introductory Reading articles and the Nellie Mae brochure *A Student’s Guide to Borrowing and using Credit* (http://www.nelliemae.com/managingmoney/Meet.pdf). Familiarize yourself with the common terms, processes, and student responsibilities related to student loans.

Stage 2. **Planning and Preparation.** Find current statistics on the average student loan amount at LMU, at the state, or at the national level. Create Phil Brown’s case study and compare numbers in the case study with the corresponding average numbers at LMU, at the state, or at the national level.

Stage 3. **Action, Analysis, Conclusion.** Calculate Phil’s monthly payments and carry out all tasks described in the case study.

Stage 4. **Response/Dissemination.** Write conclusion; submit the entire work; write an article for the campus newspaper on the implications you uncovered based on your work; prepare a PowerPoint presentation.

**Reflection:** Reflect in general terms on how your personal situation is similar or different to that of the situation delineated in the case study

**Timeline:**
- Week 4 – Student groups and project topics are finalized
- Week 7 – Stage 1 deadline for completion
- Week 10 – Stage 2 deadline for completion
- Week 12 – Stage 3 deadline for completion
- Week 15– Stage 4 deadline for completion
Model Project Transparency: Student Loan Debt
Stage 1: Summary of Background Investigation

Background statistics on student loan debt:
- In ’99-’00, 68% of those graduating from college had borrowed money to pay for college.
- In ’99-’00, those graduating from a private school owed an average of $16,000 on their education.
- The federal government lends over $50 billion each year to college students.

With costs of college tuition increasing (at rates faster than inflation), these numbers must be rising.

Studies show that the average earnings of a person with a bachelor’s degree is about $2.1 million in lifetime earnings, compared to $1.2 million for those with only a high-school degree. Collect a master’s degree, and you’ll be up to $2.5 million. So, your student loan debt is “good”.

Financial experts agree that there is good debt and there is bad debt.

Good debt – debt for which there is high return value.
  e.g. college education, home ownership

Bad debt – debt for which there is little or no return value.
  e.g. most credit card debt
One of the most important consequences for not paying off your student loan debt is that it will ruin your credit, which in turn can:

- Make it difficult to impossible to buy a home
- Make it difficult to obtain a good job

Also, filing for bankruptcy will not get you out of student loan debt.

Important first steps for anyone with student loan debt are to know:

- how much you owe
- the terms of your loan, its repayment schedules, and repayment options
- that if you make higher monthly payments, you can pay the loan off more quickly
- who the lender is and how to reach them
- if you move, you need to inform the lender
- what to do if you can’t make a monthly payment for some reason

(The lender will generally be willing to work with you…. Monthly payments of up to 10% of your income are usually considered “manageable”.)
Model Project: Student Loan Debt

Stage 1: Glossary of Terms

**Accrued Interest:** Interest accumulating on the unpaid principal balance of a loan.

**Annual Percentage Rate (APR):** The cost of your loan or credit represented as a yearly rate.

**Capitalization of Interest:** The addition of unpaid interest to the principal balance of a loan. This can increase the total outstanding principal amount.

**Combination:** Combining several loans into one account so that the borrower only pays one monthly bill. The loans' original terms still apply, such as payment and interest.

**Consolidation:** A lender pays off the borrower's current student loans and issues a new, single loan. The monthly payment is usually lowered due to a longer repayment term.

**Default:** Failure to meet a financial obligation, such as a loan. Staying out of default will help protect a borrower's credit record.

**Deferment:** A borrower is allowed to postpone payments on the loan principal. During deferment, the federal government will pay the interest on a subsidized Stafford Loan. On others, the interest will accrue and be capitalized, and the borrower is responsible for paying it.

**Delinquency:** Failure to make loan payments when due. Delinquency can lead to default.

**Forbearance:** A special agreement between lender and borrower to delay or reduce monthly loan payments because of financial hardship.

**Free Application for Federal Student Aid (FAFSA):** The official application students must use to apply for federal aid.

**Grace Period:** On a student loan, the six- or none-month period between graduation or leaving school and the start of repayment when no loan payments are due.

**Income-Sensitive Repayment:** A borrower's monthly payments are adjusted annually, based on income level. Under this plan, the borrower selects payments between four and 25 percent of his/her gross monthly income.

**Monthly Payment:** On a student loan, this is the fixed amount you must pay each month during repayment.

** Origination Fee:** A fee charged to the borrower (usually three percent) by the federal government that is deducted from the principal of a loan prior to disbursement.

**Pell Grant:** Grant program funded by the federal government and awarded by schools to undergraduate students based on financial need.

**Perkins Loan:** Loan funded by the federal government and awarded by the school. These types of loans tend to have a very favorable interest rate.

**PLUS Loan:** A PLUS Loan is not need-based. On the student's behalf, parents or legal guardians can borrow through the PLUS program.

**Prepayment:** An amount of money that is paid by the borrower before it is due. There is not a penalty for prepayment of federal student loans.

**Principal:** The original amount borrowed and the amount upon which interest will be charged.

**Promissory Note:** A written and legal promise to pay back a loan at a specified time to a specified party.

**Repayment Schedule:** A repayment plan that alerts the borrower of the length of the repayment period, monthly repayment amount, number of payments required, and the due date of each payment.

**Stafford Loan:** A loan that is either subsidized (need-based) or unsubsidized (non-need based) and guaranteed by the federal government for students.
Model Project: Student Loan Debt
Stage 1: Annotated Bibliography

Leonard, Robin and Deanne Loonin (2001). Take Control of Your Student Loan Debt. Berkeley: Nolo Books. Description: Different types of student loans and the government’s role in the various types of student loans are described. Making a budget that includes student loans, and repayment options are explained. Strategies for various situations where one cannot afford the student loan payments are given and the consequences of not paying student loans are described. Advice for “finding help beyond the book” is also included such as advice on how to do your own legal research, hire a lawyer, and contact a credit counseling agency. Various worksheets to help with budgets, deferment requests etc are found in the appendix. Very practical and comprehensive source.

Loyola Marymount University (2005). Financial Aid web page. Available at http://www.lmu.edu/Page1003.aspx Description: This site offers some information on financial aid, the cost of study at LMU, how financial need is determined, who is eligible for financial aid, types of aid available, how to apply for financial aid, and student responsibilities concerning financial aid. A “frequently asked questions” page is included. Aimed at LMU and potential LMU students.

Nellie Mae (2003). A Student’s Guide to Borrowing and Using Credit. Available at http://www.nelliemaecom/managingmoney/Meet.pdf Description: Gives basic information on principles of borrowing, debt, budgets, and credit cards. Includes some basic examples with actual dollar amounts, but does not show the calculations needed to obtain these dollar amounts. Includes some useful advice for controlling debt. Not very detailed.

O’Connell, Brian (2004). Free Yourself From Student Loan Debt, Chicago: Dearborn Trade Publishing. Description: Begins with some basic statistics on student loan debt in the U.S. The book explains rights and responsibilities associated with student loans, strategies for paying off student loans, debt management. It gives detailed meanings of the terms loan default, loan deferments, forbearance, bankruptcy, cancellation and the consequences of these situations. Student loan ombudsman contact information and number of internet resources for further help and information are described and listed. Some general money management tips are given.


U.S. Department of Education (2004). 2003-2004 National Postsecondary Student Aid Study (NPSAS:04): Undergraduate Data Analysis System. Available at http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2005164 Description: This is an online system that contains the data from a survey with a sample of about 80,000 undergraduates who were enrolled at any time between July 1, 2003, and June 30, 2004, in about 1,400 postsecondary institutions. It represents all undergraduate students that were eligible to participate in the federal financial aid programs in Title IV of the Higher Education Act. The survey focused on how they and their families pay for postsecondary education and includes general demographics, types of aid and amounts received, and cost of attending college. The system allows one to look-up a HUGE number of statistics such as the mean loan principal received by students for each of the different kind of federal loans. Very easy to obtain a great deal of statistics from this site.
Model Project: Student Loan Debt
Stage 2: Outline of Plan of Action

I. Stage 1: Research background information including:
   A. Student loan terminology
   B. Types of student loans available, terms of the common types of student loans
      1. Perkins loans
      2. Stafford loans
      3. PLUS loans
      4. Federal consolidation loans
   C. Typical amounts borrowed
   D. Reasonable salary expectations for a communications major
   E. Cost of living data for the LA area
   F. Financial experts “recommended” limits on spending for various categories of spending, including student
      loans, housing, food

II. Stage 2:
   A. Create a realistic Phil Brown case study, being sure to include:
      1. Communications major
      2. Graduating with some credit card debt
      3. Period of working at a first job, and beginning to pay off loan
      4. Period of time where he quits his job and returns to school
      5. Need for a second student loan
      6. Considerations regarding consolidation of the loans
         a) when is it good/bad to consolidate?
         b) differences in terms of the consolidated loan and non-consolidated loans
         c) extended repayment
   B. Create appropriate forms (data sheets) for calculations using a spreadsheet program
      1. Income and expenses summary (budget)
      2. Amortization table

III. Stage 3:
   A. Calculations for phase 1 of Phil’s loan payments (after graduating from LMU and beginning to repay his
      student loan)
      1. Monthly loan payment required under the standard repayment plan
      2. Loan amortization table
      3. Income and expenses summary (budget) for Phil
   B. Calculations for phase 2 of Phil’s loan payments (after returning to school and obtaining a second loan)
      1. Amount of capitalization that has occurred with Phil’s first loan
      2. Monthly loan payment required under the standard repayment plan for both loans
      3. Loan amortization tables for both loans
      4. Income and expenses summary (budget) for Phil
   C. Calculations for phase 3 of Phil’s loan payments (when considering consolidation)
      1. Monthly payments required on consolidated loan
      2. Loan amortization table for consolidated loan
      3. Total amount of interest paid on consolidated loan compared to unconsolidated loans
      4. Income and expenses summary (budget) for Phil
      5. Consequences of need for forbearance or deferment

IV. Stage 4:
   A. Write conclusion, report, article
   B. Prepare oral presentation
Phase 1. Phil Brown received a subsidized Federal Perkins loan in the amount of $4,000\(^1\) in each of his four years at LMU to help pay is tuition. The terms of this loan\(^2\) are summarized as:

- 5% annual interest rate (fixed rate)
- 10 year term
- monthly payments
- grace period: 9 months after no longer being at least a half-time student at LMU.

Phil graduated on May 8, 2005 with a major in Communication Studies, a student loan, and credit card debt (at 18% annual interest) totaling $6,000\(^3\). Interest on Phil’s student loan will begin to accrue February 1, 2006 and his first payment will be due on March 1, 2006. In August 2005, Phil begins a full-time job as a Public Relations Specialist at an annual salary of $29,800\(^4\) and by this time his credit card debt has increased to $8,500.

Phase 2. Phil makes all required payments on time through August 1, 2009. Phil has recently applied and been accepted to the ABC Journalism School beginning September 1, 2009. He quits his job, finds a part-time job and enrolls in the journalism school. At this time, Phil applies for and is granted a student deferment on his Perkins loan for a period of two years during which he remains a full time student. Phil had managed to save some money, and obtained some help from his parents in paying his first year’s tuition to journalism school, but just prior to his second year in journalism school, Phil finds he must obtain an additional loan to help pay for his journalism school tuition. This loan for journalism school tuition is an unsubsidized Stafford loan, for $7,000. The terms of this loan\(^5\) are summarized as:

- 5.3% annual interest rate, adjustable annually on July 1\(^{st}\), with a maximum rate of 8.25%
- 10 year term
- monthly payments
- grace period: 6 months after no longer being at least a half-time journalism student.

Phil graduates from journalism school in May 2011 and now has two student loans to repay. As of November 1, 2011, he must begin to repay both student loans. Phil lands a job as a Public Relations Assistant Manager, earning $38,000\(^6\) annually.

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\(^1\) In Stage 1 we found from O’Connell (2004, p. 2) that $16,000 was the US average student loan debt at graduation from a private school.


\(^3\) According to PRNewswire (Oct.12, 2005) the average credit card debt among college students is $2,400, and 14% owe more than $5000. We assumed that by graduation a senior at LMU would owe more than the average, and so we put Phil in the top decile.

\(^4\) Salary obtained by consulting the Bureau of Labor Statistics website http://www.bls.gov/ and the Occupational Outlook Handbook http://www.bls.gov/oco/ found there and then just choosing a salary that was slightly below the first quartile – thinking that being a first job, his salary would be at the low end, but being in LA, his salary would not be at the very low end. When accessed in Fall 2005, the data for 2002 listed median earnings as $41,710 with the middle 50% earning between $31,300 and $56,180. More recent data is given at the end of the bibliography.


Phase 3. After making all required payments for two years, Phil considers consolidating his student loans by applying for a Federal Consolidation Loan. He needs to know if he meets the requirements for a consolidation loan, what are the benefits of consolidation, and what are the drawbacks to consolidation. Will he save any money in the short and long term by consolidation?

Bibliography:


PRNewswire (October 12, 2005). “Students With Too Many Credit Cards: New Survey Reveals More Than Half of College Students Charge Their Credit Cards To The Limit Some or Most of The Time; Day-To-Day Living Expenses Run Up Credit Card Bills For Students”

NEW YORK, Oct. 12 /PRNewswire/ -- The following is a revised version of the release that was originally issued on August 17, 2005:
According to a new survey funded by OppenheimerFunds, Inc., a leading asset management company and conducted by Smith College, the majority of college students are in credit card debt largely from the use of credit cards to purchase personal items including toiletries, clothing and accessories. The survey found that 65% of college students carry credit card debt and over 50% charge their cards to the limit some or most of the time. More than half of respondents (58%) said that they never pay balances in full or pay in full less than half of the time. Nearly 20% of students do not know what the APR is on the credit card they use most. The average credit card debt among the respondents is $2,400 and 14% owe more than $5,000.


The following is a few of the statistics found at this site on 2/28/06:
Median annual earnings for salaried public relations specialists were $43,830 in May 2004. The middle 50 percent earned between $32,970 and $59,360; the lowest 10 percent earned less than $25,750, and the top 10 percent earned more than $81,120. Median annual earnings in the industries employing the largest numbers of public relations specialists in May 2004 were:

- Advertising and related services $50,450
- Management of companies and enterprises 47,330
- Business, professional, labor, political, and similar organizations 45,400
- Local government 44,550
- Colleges, universities, and professional schools 39,610

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7 A link to information on loan consolidation is available on LMU’s Financial Aid website http://www.lmu.edu/Page3257.aspx
## Model Project: Student Loan Debt
### Stage 2: Income and Expenses Summary Form

1. Marital Status:
   - ___ Single
   - ___ Married
   - ___ Widow(er)
   - ___ Separated/Divorced

2. Number of Dependents: ______

   Relationship:___________ Age: ______
   ___________ ______
   ___________ ______
   ___________ ______

3. Monthly Income from ALL Sources:
   - Gross Monthly Salary/Wages $ $
   - Spouse's Monthly Salary/Wages $ $
   - Child Support $ $
   - Alimony/Support $ $
   - Unemployment $ $
   - Public Assistance $ $
   - Social Security/Veteran $ $
   - Stocks, Bonds, & Investments $ $
   - Other:___________________ $ $
   - Total Monthly Income: $ $

4. Checking Account Balance: $ $
5. Savings Account Balance: $ $

6. Monthly Expenses: $ $
   - Rent/Mortgage: $ $
   - Food: $ $
   - Utilities: $ $
   - Child Care: $ $
   - Car Payments: $ $
   - Other Vehicle(s) $ $
   - Public Transportation: $ $
   - Student Loan Payment(s) $ $
   - Type: $ $
   - $ $
   - $ $
   - Insurance: $ $
   - Cellular Phone/Pager $ $
   - Credit Card(s) $ $
   - Other Charge Accounts: $ $
   - Medical: $ $
   - Cable/Satellite TV: $ $
   - Entertainment: $ $
   - Clothing: $ $
   - Dry Cleaning: $ $
   - Cleaning Yard Service: $ $
   - Other: $ $

Total Monthly Expenses: $ $

IF YOU NEED ADDITIONAL SPACE, PLEASE ATTACH A SEPARATE SHEET

Be sure to submit the applicable supporting documents along with this form completed on both sides. IF THIS FORM IS NOT INCLUDED WITH YOUR APPLICATION, YOUR REQUEST MAY BE DENIED.

__________________________________________  ________________________
Borrower's Signature                          Date

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8 Obtained from the LMU University Loan Programs, Controllers Office
Model Project: Student Loan Debt

Stage 2: Amortization Table Form

<table>
<thead>
<tr>
<th>Payment date</th>
<th>Payment amount</th>
<th>Interest</th>
<th>Principal</th>
<th>Balance forward</th>
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</tbody>
</table>
Phase 1: The following lists the assumptions and observations we made in creating the amortization table for the subsidized Perkins loan together with brief explanations.

1. **Phil’s first payment on the subsidized loan will be due March 1, 2006 and the loan balance at that time will be $16,000.** Since Phil graduates at the beginning of May 2005, and the grace period is 9 months, the grace period will end on February 1, 2006 and his first payment would then be due March 1, 2006. Because Phil has a subsidized loan, no interest will have accrued during the grace period.

2. **Phil’s loan balance at the end of phase 1 (August 1, 2009) is $11,281.35.** So, at this time he is granted the deferment, his balance is $11,281.35 (as shown in the loan amortization table).

The following lists the assumptions and observations we made in creating Phil’s “budget” together with brief explanations.

1. **Phil’s monthly rent is $745.** Financial advisors say that a person’s monthly expenditure on housing, ideally should not exceed 30% of their monthly income. For Phil, 30% of his income is $745. However, in order to find housing with this monthly payment, Phil must share an apartment with two of his friends.

2. **Phil’s monthly car payments are $250.** Phil has purchased a used car, spending $150 per month on car payments and $100 per month in gasoline. To estimate the amount he spends in gasoline per month, we assumed that Phil drives 12,000 miles per year or 1,000 miles per month. Assuming his car gets an average of 30 mpg, and the cost of gasoline is $3.00 per gallon, his car would consume

\[1,000 \text{ miles/month} \div 30 \text{ miles/gallon} \approx 33 \text{ gallons/month},\]

and that would cost

\[33 \text{ gallons/month} \times 3.00 \text{ dollars/gallon} \approx 100 \text{ dollars/month}.\]

3. **Phil’s credit card balance is at $7,500 on March 1, 2006 and at that time, Phil intends to pay that balance off within 5 years and during those five years, he will limit further charges to his credit card to $100 per month.** We assumed that when Phil begins his new job in August, he will be able to pay off $1000 of his credit card debt by March 1, 2006 since he will not have loan payments to make during that time period. In order to pay off a $7,500 balance on a credit card charging 18% and $100 in new charges each month, Phil will begin to make credit card payments of:

\[\text{PMT} = \frac{7500(1.18^{50})}{1-(1+0.18)^{-60}} + 100 = 290.45.\]

4. **Phil will pay about $407 in federal and state income taxes each month.** Phil’s gross annual income is $29,800, and with the $3,300 personal exemption and deductions of $770 in student loan interest, his taxable income will be approximately $25,730. He is in the 15% federal tax bracket and so will pay approximately .15×25730 = $3,860 in federal income taxes. In state taxes, he will pay approximately 4% of his taxable income, or approximately $1,029. This gives an annual total of $4,889 in federal and state income taxes, or $407 per month.
Phase 2: The following lists the assumptions and observations we made in creating the amortization table for the unsubsidized Stafford loan together with brief explanations.

1. **Phil takes out his unsubsidized Stafford loan on September 1, 2010 and interest will compound until the end of the grace period on November 1, 2011.** So interest will have compounded for 14 months at the end of the grace period, and so the loan balance at the end of the grace period will be:

\[ 7000 \left(1 + \frac{.053}{12}\right)^{14} = 7,445.48 \]

2. **Phil’s first payment on the unsubsidized loan will be due December 1, 2011.** Since Phil graduates at the beginning of May 2011, and the grace period is 6 months, the grace period ends on November 1, 2011 and his first payment would then be due December 1, 2011.

3. **The interest rate will rise each year by .5%, until reaching the maximum rate of 8.25%, then remain at 8.25% for the duration of the loan.** We made this assumption because some economic forecasts predict rising interest rates in the near future, and because it will be more interesting to see if Phil can make his loan payments with a rising interest rate.

4. **The loan payment will be re-calculated annually on July 1st.** That is, assuming that the loan is to be paid off in full in ten years, and that interest rates have changed, the loan payment required will be recalculated based on the remaining balance, the remaining number of payments, and the new interest rate. This assumption was made because it is a common practice in the loan industry and will ensure the loan is repaid in full in ten years. For example, on July 1, 2012, the interest rate would rise to 5.80%, Phil will have 113 payments left to make (having already made 7 of the 120 payments), and his loan balance will be $7,097.85, causing his new monthly loan payment to be calculated as:

\[
\text{PMT} = \frac{7097.85 \left(\frac{.058}{12}\right)}{1 - \left(1 + \frac{.058}{12}\right)^{-113}} = \ldots
\]
### Model Project: Student Loan Debt

#### Stage 3: Income and Expenses Summary

March 1, 2006 (phase 1)

<table>
<thead>
<tr>
<th>1. Marital Status:</th>
<th>6. Monthly Expenses:</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>X</em> Single</td>
<td>Rent/Mortgage: $745.00</td>
</tr>
<tr>
<td>___ Married</td>
<td>Food: $200.00</td>
</tr>
<tr>
<td>___ Widow(er)</td>
<td>Utilities: $45.00</td>
</tr>
<tr>
<td>___ Separated/Divorced</td>
<td>Child Care:</td>
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<tr>
<td></td>
<td>Car Payments, Upkeep: $250.00</td>
</tr>
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<td></td>
<td>Other Vehicle(s)</td>
</tr>
</tbody>
</table>

| 2. Number of Dependents: ___0___ |
| Relationship: __________ Age: ___ |
| __________ __________ |
| __________ __________ |
| __________ __________ |
| Insurance: Auto $100.00 |
| Telephone: $45.00 |

| 3. Monthly Income from ALL Sources: |
| Gross Monthly Salary/Wages $2483.33 |
| Spouse's Monthly Salary/Wages $____ |
| Child Support $____ |
| Alimony/Support $____ |
| Unemployment $____ |
| Public Assistance $____ |
| Social Security/Veteran $____ |
| Stocks, Bonds, & Investments $____ |
| Other: __________ $____ |
| Total Monthly Income: $2483.33 |

| 4. Checking Account Balance: $____ |

| 5. Savings Account Balance: $____ | Total Monthly Expenses: $2,430.15 |

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IF YOU NEED ADDITIONAL SPACE, PLEASE ATTACH A SEPARATE SHEET OF PAPER.

Be sure to submit the applicable supporting documents along with this form completed on both sides. IF THIS FORM IS NOT INCLUDED WITH YOUR APPLICATION, YOUR REQUEST MAY BE DENIED.

Borrower's Signature Date
Model Project: Student Loan Debt

Stage 4

Since Stage 4 involves a full written report and an oral presentation, we did not provide a model for Stage 4. Instead, we review the requirements and advice given for Stage 4 in “What is Due at the End of Each Stage,” (pages 26-28). We also remind them of the best practices for oral presentations that they suggested on the day of our Stage 1 demonstration.