

Federal Student Loan

ACTION PLAN

Step 1: Create or Update Your FSA ID



- Go to StudentAid.gov and create or log into your FSA Account
- Confirm your contact information is up-to-date.
- User Name: _____ Password: _____

Step 2: Review Your Loan Information



- Log into your dashboard
- check your total loan balance, loan types (Direct, FFEL, Perkins, etc.), servicer(s), and current loan status (repayment, default, deferment, forbearance)

Student Loan Tracker

Loan Servicer	Servicer Phone #	Loan Type	School	Int. Rate	Monthly Payment	Loan Status	Due Date
Aidvantage	555-555-5555	Direct Unsubsidized	University of Illinois	5.8%	\$50	In Repayment	1 st of the month

Step 3: Pull Your Loan Payment Estimates



- Use the Loan Simulator at [StudentAid.gov/loan-simulator/](https://studentaid.gov/loan-simulator/)
- Estimate your monthly payments under different plans (e.g.: standard, Income Driven (IDR), etc.). Explore PSLF & consolidation if eligible

Example

Meet Natasha, a single mother of two living in Illinois. She works for a non-profit organization and earns an annual salary of \$50,000. With \$35,000 in federal student loan debt, Natasha used the U.S. Department of Education's Student Loan Simulator to explore and compare her repayment options.

	Income-Contingent Repayment (ICR) Plan	Pay As You Earn (PAYE) Repayment Plan
		Recommended
	Income-Contingent Repayment (ICR) Plan	Pay As You Earn (PAYE) Repayment Plan
Monthly Payment (Start)	\$264	\$94
Monthly Payment (End)	\$272	\$146
Estimated End of Term Date	April 2035	April 2035
Estimated End of Payment Balance	April 2035	April 2035

Step 4: Create a Monthly Budget



- List your monthly income and all expenses. Include irregular expenses as well
- Use [this worksheet](#)

Step 5: Compare Budget to Your Loan Payment



- Can you afford the estimated payment?
 - Yes → Plan to start repayment as scheduled
 - No → Explore affordable repayment plans like Income Based (IBR), etc.

Step 6: Prepare to Negotiate & Call



- Gather documentation of your income and essential expenses
- Be ready to discuss IDR plans, consolidation, and deferment or hardship options
- Make the call! Call your servicer(s) directly to discuss your options

Step 7: Keep Records



- Save all communications, confirmations, and application forms
- Set calendar reminders for repayment start dates & recertification deadlines

Step 8: Adjust Other Monthly Expenses



- Seek hardship plans for credit cards (can typically last up to 18 months for as low as \$10/month)
- Look into utility assistance programs and discounts on phone/internet
- Cut back on non-essential expenses like subscriptions

Quick reminder



- If you do nothing and your loan(s) enter collections after May 5, 2025, you could face:
 - Wage garnishment
 - Tax refund offset
 - Damage to your credit
 - Taking action now can protect your paycheck, credit, and financial future

Resources



- <https://studentaid.gov/manage-loans/repayment/repaying-101>
- <https://www.consumerfinance.gov/consumer-tools/student-loans/#repaying-student-loans>
- <https://www.nclc.org/topic/federal-student-loans/>
- <https://studentloanborrowerassistance.org/collection-of-defaulted-student-loans-to-begin-soon-what-borrowers-need-to-know-now/>
- <https://freestudentloanadvice.org/>