

# Session Prep Packet

For: \_\_\_\_\_

Thank you for registering for "Life After GULC - A Financial Planning Expedition". This is your pre-session packet that you should review and complete prior to your attending the session. The completion of this packet requires approximately 20-30 minutes. The effort you put in ahead of time will make the session even more valuable to you. Because class size is limited, please cancel your registration if you are unable to attend your scheduled session.

During the session our presentation will be utilizing the Internet to provide information that is relevant to the topics that we will be covering. In addition, we will be completing our workbook that you take with you when you are done. **As a reminder, you must have either completed an in-person or on-line Exit Interview prior to your attendance. This is an advanced session, not an introductory one that will discuss the ins and outs of the loan program terms or federal loan consolidation.** For more information on consolidation see the GULC Exit Interview Packet or [www.law.georgetown.edu/finaid/loanconsolidation/](http://www.law.georgetown.edu/finaid/loanconsolidation/)

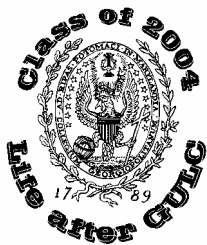
## What you should bring to the session:

- This pre-session packet, with the required sections completed
- Information regarding your future employer's benefit programs (if available)
- A hand calculator (calculator functions are disabled on the library computers)
- Pencils w/erasers

## What you should expect to leave with:

- A financial roadmap for the upcoming year and beyond
- A repayment plan for your student loans
- Tools to evaluate the economic impact of your choices
- A debt recovery plan
- An understanding of the following:
  - Insurance
  - Basic Investing
  - Financial Security/Retirement
  - Employee Benefits

This packet is for your records and use in the future. It is imperative, however, that you complete it to the best of your ability prior to the session. If you have any questions, please contact the Financial Aid Office at 202-662-9210.



# Session Prep Packet Instructions

## STEP ONE - Calculate your Federal and Commercial Education Debt

### **Federal Stafford Loans**

For most GULC full-time graduates the cumulative Federal Stafford Loan debt is approximately \$59,860 (\$18,500 per year x3 plus accrued interest on the unsubsidized portion) and part-time \$81,330 (\$18,500 per year x4 plus accrued interest). If you borrowed this amount, you may plug this number into the loan calculator to determine the monthly payment.

If you borrowed a different amount, you should contact your lender to obtain the total amount owed. Access Group borrowers may obtain a borrower profile (that may be printed for your records) through their website: [www.accessgroup.org](http://www.accessgroup.org). Total Higher Education borrowers may obtain account information at: [www.northstar.org](http://www.northstar.org). If you borrowed from a different lender, contact them directly.

### **Commercial Loans**

If you have borrowed commercial student loans such as Law Access or LawLoans you should attempt to determine the outstanding balance, including accrued interest, on your loans. Don't forget that most commercial loans have fees that will be charged when you enter repayment. These generally range from 4%-9% (Access Group - 0-6%, T.H.E. 4-7% - for 2003-04, Access Group and THE both offered zero-fee commercial loans) and should be included in your calculations. You may contact your lender(s) for this information (see above section) or check your disclosure notice for more information. If you are unable to obtain the exact information, please estimate.

### **Pre-Existing Debt**

Many students arrived at GULC with pre-existing education debt. Do not forget to include those loans when determining your monthly loan payments. If you have Federal Stafford Loans that you received while at your undergraduate institution and you attended GULC immediately following your graduation it is likely that your Federal Stafford debt is \$17,125 (the cumulative annual Federal Stafford Loan maximums). We recommend that you contact your lender to determine your current amount. If in doubt, you may also check your federal loan debt record at [www.nslds.ed.gov](http://www.nslds.ed.gov).

## **Calculating the Repayment Amount**

Now that you have the amounts that you owe, you Go to [www.finaid.com](http://www.finaid.com), select "Calculators" from the home page and select the "Loan Payment" Calculator.

- For your federal Stafford loans, use the 8.25% interest rate cap. The standard repayment term is 10 years.
- For your commercial loans use a 8.5% interest rate. The standard repayment term is 20 years for most loans.
- For your federal Perkins loans, use a 5% interest rate. The standard repayment term is 10 years, subject to a minimum monthly payment of \$40.00.

After you have calculated each of your education loan payments you may print the result and save it for your records. Please enter the result on the attached worksheet.

## **STEP TWO - Calculate your Outstanding Consumer Debt**

### **Credit Cards**

The day of reckoning is here. Pull out all of your most recent credit card statements. If you do not have any balances, congratulations, you may skip the credit card section. If you do have balances, however, you must work through this next part.

When completing the worksheet you should determine the outstanding balance of each card, the interest rate, and the estimated payment that you plan to make after you graduate. If you are only planning to make the minimum payment, put that down, if you are planning to make a larger payment, indicate your desired payment amount.

If you are presently using credit cards to cover living expenses (i.e. your balances are expected to increase rather than decrease), please estimate the outstanding balance for the time frame immediately proceeding your expected full-time employment.

### **Installment Loan Payments**

If you have made a large purchase, such as furnishings, a computer, a car or you have a line of credit separate from a credit card account, please indicate your total required payments. If you are presently planning on making a larger payment indicate your planned payment amount.

### **Lease Payments**

If you have leased items that will require a monthly payment (separate from your residential lease, please indicate the required monthly payment(s) on the worksheet.

### **Other Consumer Debt**

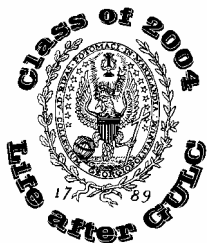
If you have other required debt payments that will continue beyond your graduation include those payments as well. Do not forget to include medical/dental payments for services already rendered. Also include costs that are likely to be incurred prior to the beginning of your full-time employment.

### STEP THREE - Your Current Expenditures

Provide an estimate of your current monthly expenses. This will provide a guideline to what your future spending is likely to be, particularly in the area of "miscellaneous" expenses.

### STEP FOUR - Your Goals

On the last page you outline your plan for the future. From a range of options, you will select the most important items in your life. If you do not find an item listed, please add it in the "other" section. You will use these results when allocating your resources in your financial strategy.

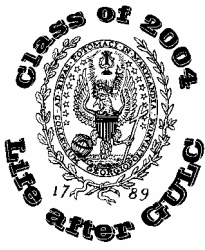


# Pre-Session Worksheet

## MY EDUCATION DEBT:

	Total Amount Owed	Est. Monthly Payment
<b>Pre-GULC Debt</b>		
Federal Stafford Loans	\$ _____	\$ _____
Federal Perkins Loans	_____	_____
Commercial Loans	_____	_____
Loans from School	_____	_____
<b>GULC **</b>		
Federal Stafford Loans	_____	_____
Federal Perkins Loans	_____	_____
Commercial Loans	_____	_____
Loans from GULC	_____	_____
<b>TOTAL</b>	<b>\$ _____</b>	<b>\$ _____</b>

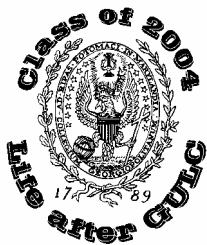
\*\* Graduates entering public interest or government employment may be able to have a portion of their GULC loan debt covered by the LRAP programs. For an online calculator to estimate your LRAP benefits if you are in qualifying employment, go to [www.law.georgetown.edu/finaid/LRAP/](http://www.law.georgetown.edu/finaid/LRAP/)



# Pre-Session Worksheet

## My Consumer Debt:

	Interest Rate	Total Amount Owed	Est. Monthly Payment
Credit Cards			
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Installment Loans			
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Lease Payments			
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Other			
_____	_____ %	_____	_____
_____	_____ %	_____	_____
TOTAL		_____	_____

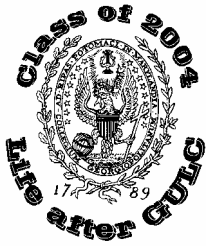


## Pre-Session Goal Sheet

Please allocate 60 points among the following items. If you would like to list another goal please do so in the space provided.

### GOAL

- \_\_\_\_\_ Purchase a home
- \_\_\_\_\_ Purchase/lease a car
- \_\_\_\_\_ Get married/have a wedding
- \_\_\_\_\_ Pay off consumer debt
- \_\_\_\_\_ Prepay education debt
- \_\_\_\_\_ Have a comfortable retirement
- \_\_\_\_\_ Retire Early
- \_\_\_\_\_ Have children
- \_\_\_\_\_ Prepare for college costs for children
- \_\_\_\_\_ Establish an emergency reserve fund
- \_\_\_\_\_ Plan for a vacation
- \_\_\_\_\_ Provide financial support for parents/family
- \_\_\_\_\_ Further education
- \_\_\_\_\_ Buy vacation home/RV/Boat
- \_\_\_\_\_ Start own business/practice/non-profit
- \_\_\_\_\_ Make significant contribution to school/religious organization/charity
- \_\_\_\_\_ Other: \_\_\_\_\_
- \_\_\_\_\_ Other: \_\_\_\_\_



# Current Monthly Expenditures

Housing (Rent or Mortgage) \$ \_\_\_\_\_

Utilities + \$ \_\_\_\_\_

Telephone + \$ \_\_\_\_\_

Consumer Debt Repayment + \$ \_\_\_\_\_

Food + \$ \_\_\_\_\_

Transportation + \$ \_\_\_\_\_  
Include payment, maintenance and insurance.

Entertainment + \$ \_\_\_\_\_

Clothing/Dry Cleaning/Laundry + \$ \_\_\_\_\_

Pager/Cell Phone + \$ \_\_\_\_\_

Prescriptions including Eyecare + \$ \_\_\_\_\_

Professional Services + \$ \_\_\_\_\_

Subscriptions + \$ \_\_\_\_\_

Dues + \$ \_\_\_\_\_

Other \_\_\_\_\_ + \$ \_\_\_\_\_

Other \_\_\_\_\_ + \$ \_\_\_\_\_

Other \_\_\_\_\_ + \$ \_\_\_\_\_

**TOTAL MONTHLY EXPENDITURES** \$ \_\_\_\_\_



## Georgetown Law Center LRAP: An Example

John secures a staff attorney position at a non-profit organization based in New York earning \$45,000 per year. He borrowed \$18,500 in Federal Stafford loans and \$10,000 in Law Access Loans for each of the 3 years of law school. He also received a \$5,000 Federal Perkins loan as well. What will his LRAP eligibility look like?

### Income:

\$ _____	Annual salary
- \$40,000	High Cost Standard Maintenance Allowance (Houston, Los Angeles/Riverside, New York City - all boroughs, San Francisco/Oakland/San Jose)
=	
\$ _____	Annual "disposable income"
x 50%	
=	
\$ _____	Annual "applicant contribution" towards loans

### Student Loans:

\$ _____	Federal Stafford loan payment (per month, assumes 15 year consolidation)
\$ _____	Federal Perkins loan payment
\$ _____	Commercial loan payment
=	
\$ _____	Total monthly student loan payment
x 12 months	
=	
\$ _____	Annual student loan payments

### LRAP Eligibility:

\$ _____	Annual student loan payments
-	
\$ _____	Annual "applicant contribution" towards loans
=	
\$ _____	<b>Maximum LRAP eligibility*</b>

\* If LRAP II, multiply by the award percentage for the year.  
For example: ✓ In 2003, the award coverage was 85%

Note: The example assumes John is unmarried, has no children, and has only GULC student loan debt.