

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

Thank you for registering for “Life After Georgetown Law – A Financial Planning Expedition”. This is your pre-session packet that you should review and complete prior to 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. Since class size is limited, remember to cancel your registration if you are unable to attend so your space may go to another student.

Throughout the session our presentation will utilize web-based calculators and resources to provide information that is relevant to the topics. You will receive a workbook and other materials to take with you when you are done. **As a reminder, you must have either completed an in-person or online Exit Interview prior to your attendance. This is an advanced session that discusses much more than the ins and outs of the loan programs and loan consolidation.**

**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 handheld calculator
- 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.

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

The Financial Aid Office has records of the initial amounts of all federal and commercial loans that have disbursed to the school for your attendance at Georgetown Law. On most loans, interest accrues from the date of disbursement, so to obtain the balance, including accrued interest and any fees, review your online account information through your lender's website or call the loan servicer. Better numbers will yield better results.

**Federal Stafford Loans**

For most May 2008 full-time graduates the cumulative Federal Stafford Loan debt is approximately \$62,000 (\$18,500 during the 1L year; \$20,500 during the 2L and 3L years, plus accrued interest on the unsubsidized portion). For most Georgetown Law part-time students, the cumulative Federal Stafford loan debt is approximately \$82,000 (\$18,500 during the 1E and 2E years; \$20,500 during the 3E and 4E years, plus accrued interest on the unsubsidized portion). Up to \$8,500 per year was subsidized and has accrued no interest to this point.

**Commercial Loans**

If you have borrowed commercial student loans such as Law Access or LawLoans, determine the outstanding balance, including accrued interest, on your loans. Some commercial loans have fees that will be charged when you enter repayment, so be sure to check your online account with your lender or your disclosure notice for more information. If you are unable to obtain the exact information before the session, please estimate.

**Grad PLUS Loans**

If you have borrowed a Grad PLUS loan, determine the outstanding balance, including accrued interest and fees on your loan(s). If you are unable to obtain the exact information before the session, please estimate.

**Federal Perkins Loans**

Perkins Loans accrue interest at 5% when in repayment and do not accrue interest while in school. Use the amount disbursed to your student account as the amount owed.

## **Pre-Existing Debt**

Many students arrived at Georgetown Law 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 Georgetown Law 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**

Go to [www.finaid.org/calculators](http://www.finaid.org/calculators) now that you have the amounts that you owe and select the “Loan Calculator”. Using the information below, you will calculate the standard level repayment for each loan. Please review your Exit Interview packet for other repayment options.

- For your federal Stafford loans, use the 6.8% interest rate cap. The standard repayment term is 10 years.
- For your commercial loans use a 9% interest rate. The standard repayment term is 20 years for most loans.
- For your federal Grad PLUS loans, use an 8.5% interest rate. The standard repayment term is 10 years.
- 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. This is only the starting point - remember to update your estimated payments when you receive your actual repayment notice(s) from your lender(s).

## **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 immediately preceding 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, please indicate your total required payments. If you are planning on making a larger payment, indicate your expected payment.

### **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 baseline to what your future spending is likely to be, particularly in the area of “miscellaneous” expenses when estimating your future costs.

## **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 as part of your financial strategy.

**MY EDUCATION DEBT:**

	Total Owed	Est. Payment/mo
<b>Pre-Georgetown Law Debt</b>		
Federal Stafford Loans	\$ _____	\$ _____
Federal Perkins Loans	_____	_____
Commercial Loans	_____	_____
Loans from School	_____	_____
Federal Consolidation	_____	_____
<b>Georgetown Law **</b>		
Federal Consolidation	_____	_____
Federal Stafford Loans	_____	_____
Federal Perkins Loans	_____	_____
Federal Grad PLUS Loans	_____	_____
Commercial Loans	_____	_____
Loans from Georgetown	_____	_____
<b>TOTAL</b>	<b>\$ _____</b>	<b>\$ _____</b>

\*\* Graduates entering public interest or government employment may have a portion of their Georgetown Law loan debt covered by the Loan Repayment Assistance Program. In order to estimate your LRAP benefits if you are in qualifying employment, you can download the LRAP calculation worksheet at: [www.law.georgetown.edu/finaid/lrap/index.html#brochure](http://www.law.georgetown.edu/finaid/lrap/index.html#brochure)

My Consumer Debt:	Interest Rate	Total Amount Owed	Est. Monthly Payment
<b>Credit Cards</b>			
_____	_____ %	\$ _____	\$ _____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
<b>Installment Loans</b>			
_____	_____ %	_____	_____
_____	_____ %	_____	_____
<b>Lease Payments</b>			
_____	_____ %	_____	_____
_____	_____ %	_____	_____
<b>Other</b>			
_____	_____ %	_____	_____
_____	_____ %	_____	_____
<b>TOTAL</b>		\$ _____	\$ _____

## Current Monthly Expenditures

Housing (Rent or Mortgage)		\$	
Utilities	+	\$	
Telephone	+	\$	
Health Insurance	+	\$	
Consumer Debt Repayment	+	\$	
Food	+	\$	
Transportation	+	\$	
Include payment, maintenance and insurance.			
Entertainment	+	\$	
Clothing/Dry Cleaning/Laundry	+	\$	
Cell Phone	+	\$	
Prescriptions (including eye care)	+	\$	
Professional Services	+	\$	
Subscriptions	+	\$	
Dues	+	\$	
Other _____	+	\$	
Other _____	+	\$	
Other _____	+	\$	
<b>TOTAL MONTHLY EXPENDITURES</b>		<b>\$</b>	

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: \_\_\_\_\_