



University of the Incarnate Word Borrowing Information Form

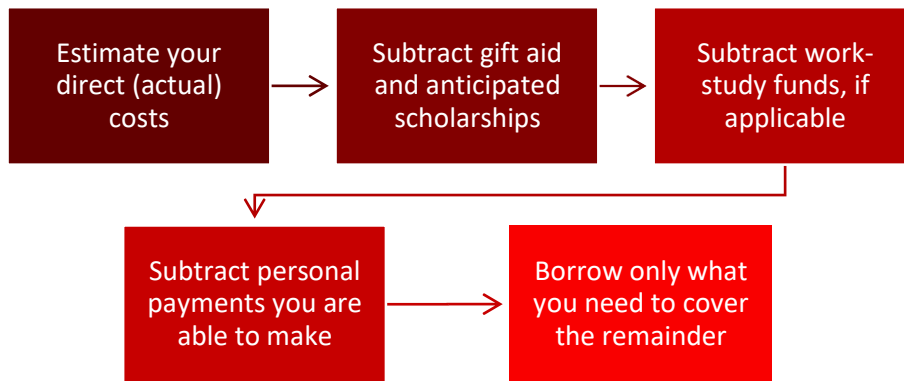
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For many, financing a college education includes borrowing student loans. If you are considering utilizing student loans, the UIW Office of Financial Assistance has resources to help you understand the process from start to finish.

The main concepts we want to share with new borrowers are borrowing only what you need, the fundamentals of repayment, and understanding the risks of dropping or withdrawing.

How do I know how much to borrow?

You may not need to borrow the maximum amount on your award letter – take only what you need to cover your actual expenses, including any assistance you need with books and supplies. Limit your living expenses as much as possible.



What is a reasonable amount of student loan debt?



‘Reasonable’ is different for every student, and every family. The average UIW student incurs roughly \$27,000.00 in federal student loans by the time they graduate. This translates to an estimated monthly payment of \$300.00 for 10 years. Other repayment plans, such as “Pay as You Earn,” which limits your payments based on your annual income, are available to assist you if you are having trouble making your payments.



You should also take into account your intended career path. Salary calculators, such as <http://www.payscale.com/salary-calculator> can help you determine if you are borrowing more than you will be able to afford to repay once you start your career.



It’s also important to keep in mind future debt you intend to take on. For example, most lenders recommend a debt-to-income ratio of less than 43% if you plan to purchase a home. For more information about this recommendation, see <http://www.consumerfinance.gov/askcfpb/1791/what-debt-income-ratio-why-43-debt-income-ratio-important.html>

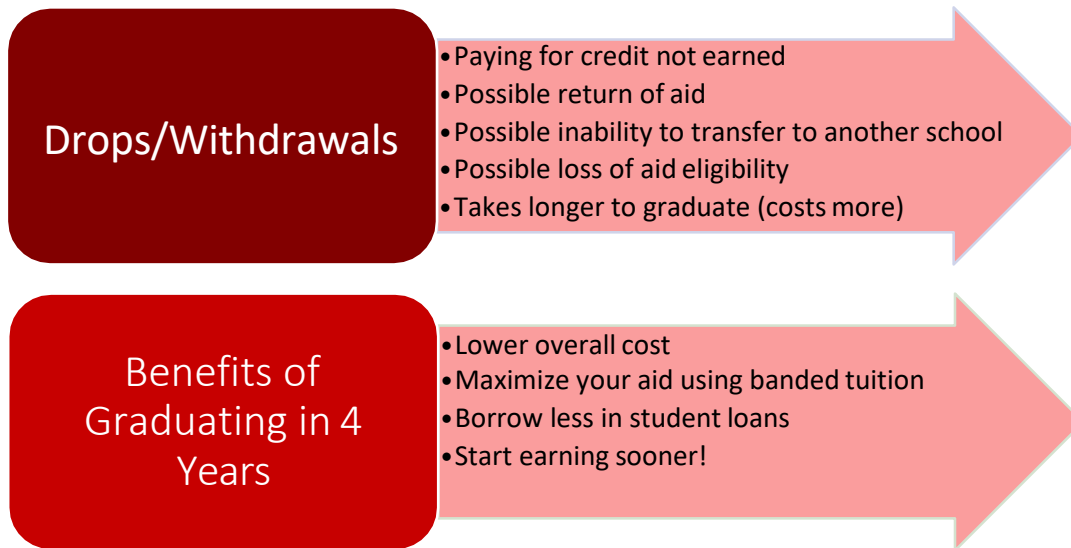
How can I figure out my monthly payments?

Go to <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action> to see the loan calculator provided by the Dept. of Education. Log in to your account using your FSA ID in order to have your loans automatically added into the calculator. Paying \$50-\$100 extra per month can take as much as 5 years off the life of your loan, and save you thousands of dollars in interest! Use the Loan Tracker in iGrad at iGrad.com/schools/UIWTX to calculate your payments and learn smart financial habits!

Is there really such a thing as 'good debt' or 'bad debt'?

All debt can be 'good' or 'bad' depending on how you use it. However, in general, debt which is used to purchase something that increases in value (such as your education, or a house) is better than debt for something that decreases in value over time (such as a car).

What happens if I drop some courses or withdraw from school?



In summary:

