



Clue: The Student Loan Game

Lender Code 833733

Stafford
PLUS
Alternative
Consolidation

Presented by:
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School Relations



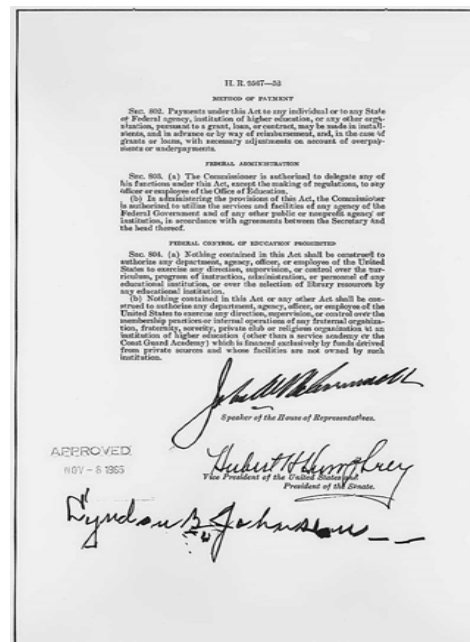
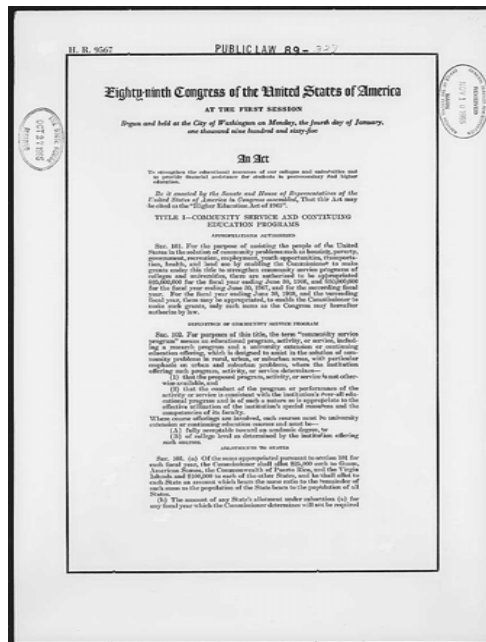
Agenda

- Game History
- The Programs
- The Players
- The Weapons
- The Rooms

How the Game Began

November 8, 1965:

- Higher Education Act of 1965), Public Law 89-329, 79 STAT 1219, provided to strengthen the educational resources of our colleges and universities and to provide financial assistance to students in postsecondary and higher education.



Programs

- **Federal Family Education Loan Program (FFELP)**
 - Funding comes from the private sector
 - Stafford - subsidized & unsubsidized
 - PLUS
 - GradPLUS
 - Consolidation
- **William D. Ford Federal Direct Loan Program**
 - Funding comes from federal capitol and is delivered/administered directly by the school
 - Student - subsidized & unsubsidized
 - PLUS
 - GradPLUS
 - Consolidation

Programs

- **Federal Perkins Loans**

- Campus-based program (with a 25 percent institutional match) offers needy students low cost loans with significant forgiveness benefits for many low paying, public service careers.
- The loans originate from a campus-based revolving fund that is funded each year with federal capital contributions, institutional match dollars, and repayments from borrowers.

The Players

- Mr. Bo Rower
 - The actual borrower
 - Student for Stafford and Grad PLUS
 - Parent for PLUS
 - Always responsible for repayment of loan funds
 - Deferments and forbearances are always based on the borrower's eligibility, not the student's



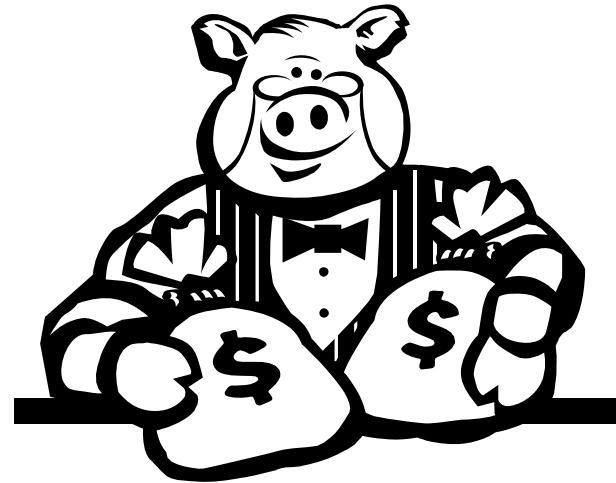
The Players

- Mr. Stewart (Stu) Dent
 - The person enrolled in school at least half time
 - Loan funds are used to pay for their education



The Players

- Mr. Lee Ender
 - Lent the money to Mr. Bo Rower
 - They do not always disburse the funds, service the funds, or hold the funds.

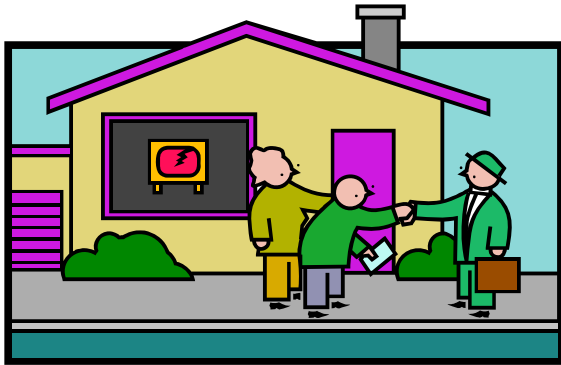


The Players

- Mr. Market, II
 - Purchases the loans from Mr. Lee Endor
 - This is usually done while in the Grace Room
 - Frees up more money so that Mr. Bo Rower can lend more money



The Players



- Mr. Gary Antor
 - Insures the loan for Mr. Lee Endor
 - In the case that Mr. Endor is not able to collect payment, he purchases the loan at 98%
 - Mr. Bo Rower will then owe Mr. Antor

The Players

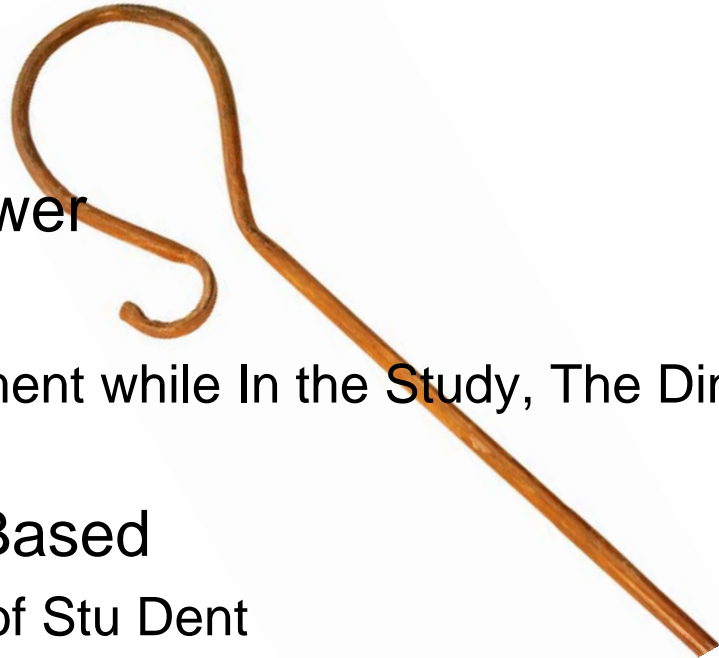
- Ms. Sylvia Ervicer
 - Follows all government regulations
 - Sends our bills and notices to Mr. Bo Rower
 - Responsible for Due Diligence



The Weapons

The Staff (ord Loan)

- Stu Dent is actually Bo Rower
- Subsidized=Need based
 - Interest paid by the Government while In the Study, The Dining Room, and the Basement
- Unsubsidized=Non Need Based
 - Interest is the responsibility of Stu Dent
- Interest is fixed at 6.8%



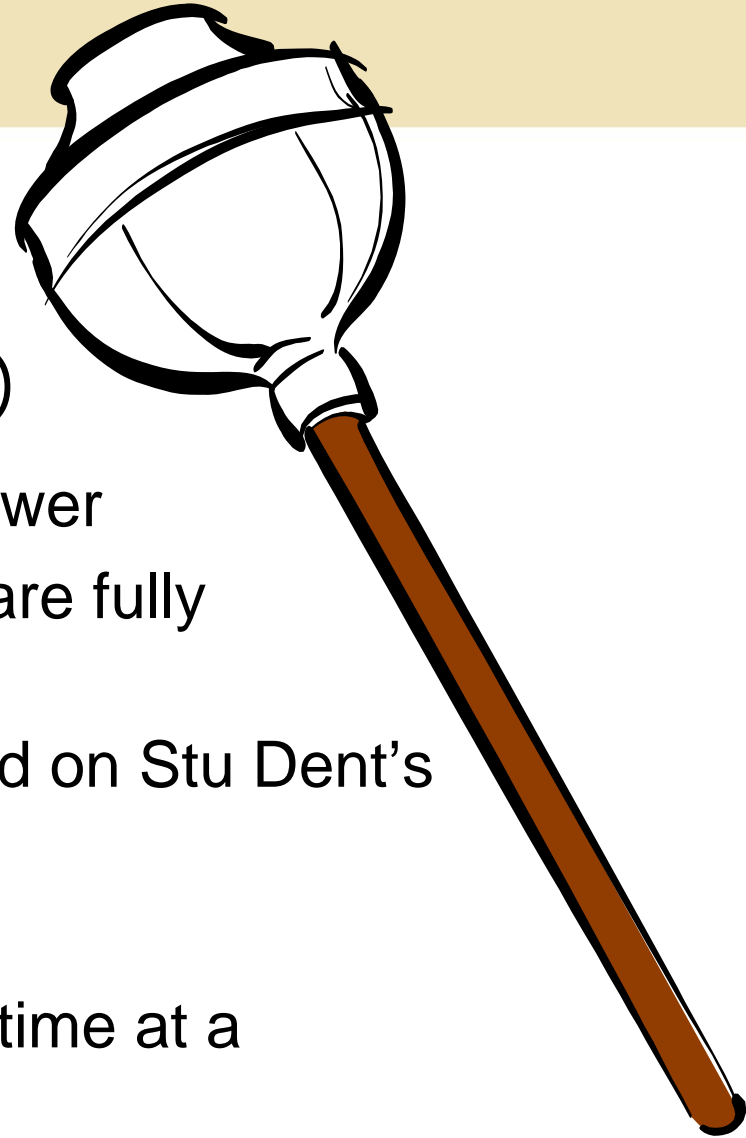
The Weapons

The Plunger (Plus)

- Bo Rower is actually the parent of Stu Dent
- Payments begin after funds are fully disbursed
- Stu Dent is never responsible for payments
- Interest is fixed at 8.5% for FFELP and 7.9% for Direct Loans
- Cannot enter another room unless Bo Rower actually qualifies
- Student must be enrolled at least half time in an undergraduate school



The Weapons



The Big Plunger (Grad PLUS)

- Stu Dent is once again Bo Rower
- Payments begin when funds are fully disbursed
- Can enter another room based on Stu Dent's status
- Interest rate is fixed at 8.5%
- Must be enrolled at least half time at a graduate school

The Rooms

- Dining Room (Where grace is said)
 - The room entered directly after leaving the study
 - Will stay here for 6 months after leaving school less than half time, Graduates, or Withdrawals
 - Starts the day after they leave the Study



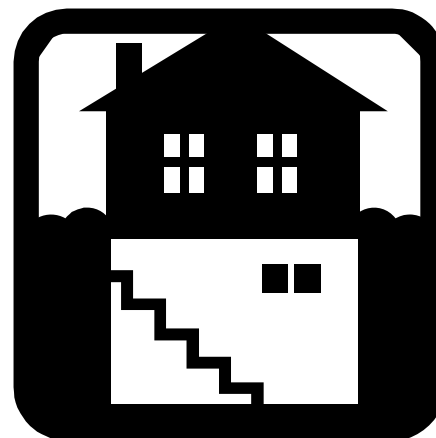
The Rooms

- The Garage (Re-Pavement)
 - Starts the day after they leave the Dining Room
 - Payments are due approx. 30-45 days after the entering this room
 - Minimum payment of \$50
 - Payments are scheduled for 120 terms



The Rooms

- The Basement (Deferment)
 - A period of time where payments do not have to be made
 - Must meet specific requirements
 - Unemployment
 - In-School
 - Working Mother/Parental Leave
 - Economic Hardship
 - Public Service
 - Temporary Disability



The Rooms

- The Foyer
(Forbearance)
 - Is issued at Lee Ender's discretion
 - Payments due not have to be made



The Rooms

- Dungeon (Default)
 - Payments have not been made for 270 Days
 - Lee Ender sells the loan to Gary Antor
 - Mr. Antor has many more rights than Ms. Ender
 - Payment due in full
 - 18% collection fee
 - Garnish of Wages
 - Taken to Court
 - No lottery winnings/
Income tax



The Winners

- Everyone can be a winner when the rules are followed!