



TEXAS HIGHER EDUCATION COORDINATING BOARD  
 HINSON-HAZLEWOOD COLLEGE STUDENT LOAN PROGRAM  
 P.O. BOX 12788, AUSTIN, TX 78711  
 427-6340 (Austin) or 800-242-3062 (outside Austin)  
 Fax (512) 427-6570

**BORROWER REPAYMENT OPTIONS**

**This notice is to provide information about different repayment options available to you. These options include:**

**Graduated Repayment Schedule:** Payments are lower at the beginning of the repayment period and gradually increase over the repayment period. The initial payment amount must be equal to at least the amount of interest accruing monthly to your account.

**Income-Sensitive Repayment Schedule:** Payments are based on 5% to 15% of your gross monthly income. Under this option you are required to provide documentation of income on an annual basis. Each year you must re-certify your income (including documentation) to qualify for another 12 months of income-sensitive payments. This option is available for a maximum of 60 months. The initial payment amount must be equal to at least the amount of interest accruing monthly to your account.

**Extended Repayment Schedule:** If your first **FFELP** loan was made on or after October 7, 1998, and the total is more than \$30,000 in outstanding principal and interest, you may be eligible for an extended repayment schedule. FFELP loans include Stafford Loans (Subsidized and Unsubsidized), Supplemental Loans to Students (SLS), Perkins Loans [formerly known as National Direct Student Loans (NDSL)] and Health Professions Student Loans (HPSL). The extended repayment schedule allows a period of up to 25 years to repay the loan. Payments will be lower than the standard repayment plan that requires the loan to be repaid within 10 years. An extended graduated repayment schedule may also be available upon request.

**Examples of Loan Repayment Options Based on an Amount Borrowed of \$30,000 and Interest Rate of 7.5% \***

	Initial Payment	Final Payment	Total Interest
<b>Standard Repayment</b> (10 Years)	\$357	\$245	\$12,650
<b>Graduated Repayment</b> (10 Years)	\$200 (1 <sup>st</sup> year)	\$569 (10 <sup>th</sup> year)	\$15,728
<b>Income-Sensitive Repayment</b> (10 Years)	\$191 (1 <sup>st</sup> year)	\$597 (6 <sup>th</sup> – 10 <sup>th</sup> year)	\$15,600
<b>Extended Repayment</b> (25 Years only for FFELP loans)	\$222	\$222	\$35,150

**\*Note:** In each example, the interest calculation is based on a 7.5% annual interest rate over the life of the loan. However, your actual interest rate may be more or less than 7.5%, or may fluctuate yearly. The calculation for graduated payments assumes equal annual increases in the monthly payment amount. The calculation for income-sensitive payments assumes a payment amount for the first five years based on 5% of a monthly income of \$2500 with annual increases of 2% to the monthly income, and a level payment amount for the final five years of the repayment period. Any balance of unpaid interest on your loans prior to scheduling of payments may increase the monthly payments accordingly.

Your total payments and interest charges will depend on several factors: the balanced owed, the interest rate charged on the loans, the length of the repayment period, and the type of repayment option chosen. Your loans must still be repaid within the maximum time period allowed under the terms of your loans, which may affect the payment amounts under any of the repayment options. Interest paid under any of these options is generally more than the amount paid under a standard repayment schedule.

I wish to have the following optional repayment schedule (Please select only one):

- Graduated Repayment Schedule** – Based on an initial monthly payment of \$\_\_\_\_\_, or the calculated minimum monthly payment required.
- Income-Sensitive Repayment Schedule** – Based on \_\_\_\_\_% of my monthly gross income of \$\_\_\_\_\_.  
(Attach copies of your most recent pay statements for a complete month from your employer and from any other sources.)
- Extended Repayment Schedule** for my **FFELP** loan. My first FFELP loan was obtained on or after October 7, 1998, and I have more than \$30,000 in outstanding principal and interest in FFELP loans.

Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ or Account Reference #: \_\_\_\_\_

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Telephone Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Daytime Telephone Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Email Address: \_\_\_\_\_

I will continue to submit payments on my account until I receive confirmation that a new repayment schedule has been granted. If my loan is past due for any payments, is not in default status, and I am unable to send the past due amount due to temporary financial difficulties, I request that my account be granted forbearance and brought current before an optional repayment schedule is processed, since one cannot be provided until my account is brought current. Although I am requesting a forbearance of the past due monthly payments, I acknowledge my obligation to the Hinson-Hazlewood program and I fully intend to repay my student loans in full.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_