

Michigan Higher Education Student Loan Authority (MHESLA)
Offering Premier Services and Borrower Benefits

MHESLA FACTS

REPAYMENT OPTIONS

Upon entering federal student loan repayment status, you will have an array of payment options and potentially, borrower benefits.

STANDARD REPAYMENT: *This is the most common repayment plan for borrowers. It allows for equal monthly installments up to ten (10) years. This plan minimizes the total interest costs over the life of the loan.*

GRADUATED REPAYMENT: *This repayment plan offers the borrower the opportunity to make reduced payments during the first two to four years of repayment when income resources tend to be lower or other financial obligations make it difficult for the borrower to make standard payments.*

The payment increases substantially after the first few years. Interest costs paid by the borrower are also higher than the Standard Repayment option.

INCOME-SENSITIVE REPAYMENT: *This option allows the payment to be based on the eligible borrower's income and is adjusted annually.*

The borrower could pay substantially more interest costs over the life of the loan.

INCOME-BASED: Reduces monthly payments if you demonstrate a financial hardship (based on loan debt, income, and family size). Eligibility is re-evaluated each year.

Effective July 1, 2009.

EXTENDED REPAYMENT: *This plan offers fixed annual or graduated amounts repaid over a period not to exceed 25 years. This repayment option is only offered to borrowers with debts in excess of \$30,000.*

Lenders/servicers must offer an extended repayment schedule to new borrowers with FFELP loans (federal loans) first disbursed on or after October 7, 1998.

Go to mapping-your-future.org to calculate your Repayment Options.

Pay attention to Monthly Payment, Total Interest Paid, and to the Terms of the Loan.

You can also change repayment options depending on your financial situation.