

Student Loan Refinancing

March 20, 2018

APAC Room

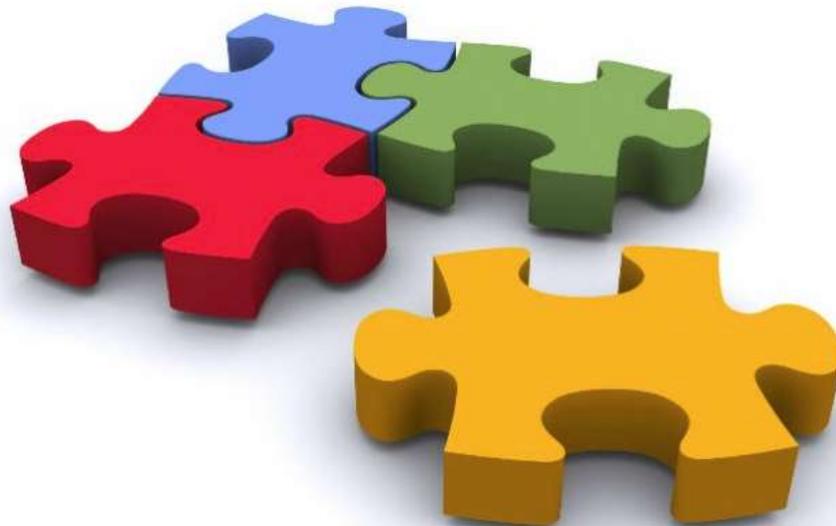


Agenda

- ★ What is Student Loan Refinancing?
- ★ Refinancing vs Consolidation
- ★ Debt
- ★ Should You Refinance?
- ★ Novation's Student Loan Refinancing Solution

What is Student Loan Refinancing?

- ★ The process of obtaining a new loan at a new interest rate
- ★ The ability to refinance both your federal and private student loans
- ★ Involves paying off your old loan and obtaining a new one:
 - Different repayment terms
 - May result in a better interest rate



Consolidate vs. Refinance?

★ Consolidation

- The process of combining multiple federal loans into one new loan
- Interest rate is a weighted average of all the loans consolidated longer terms

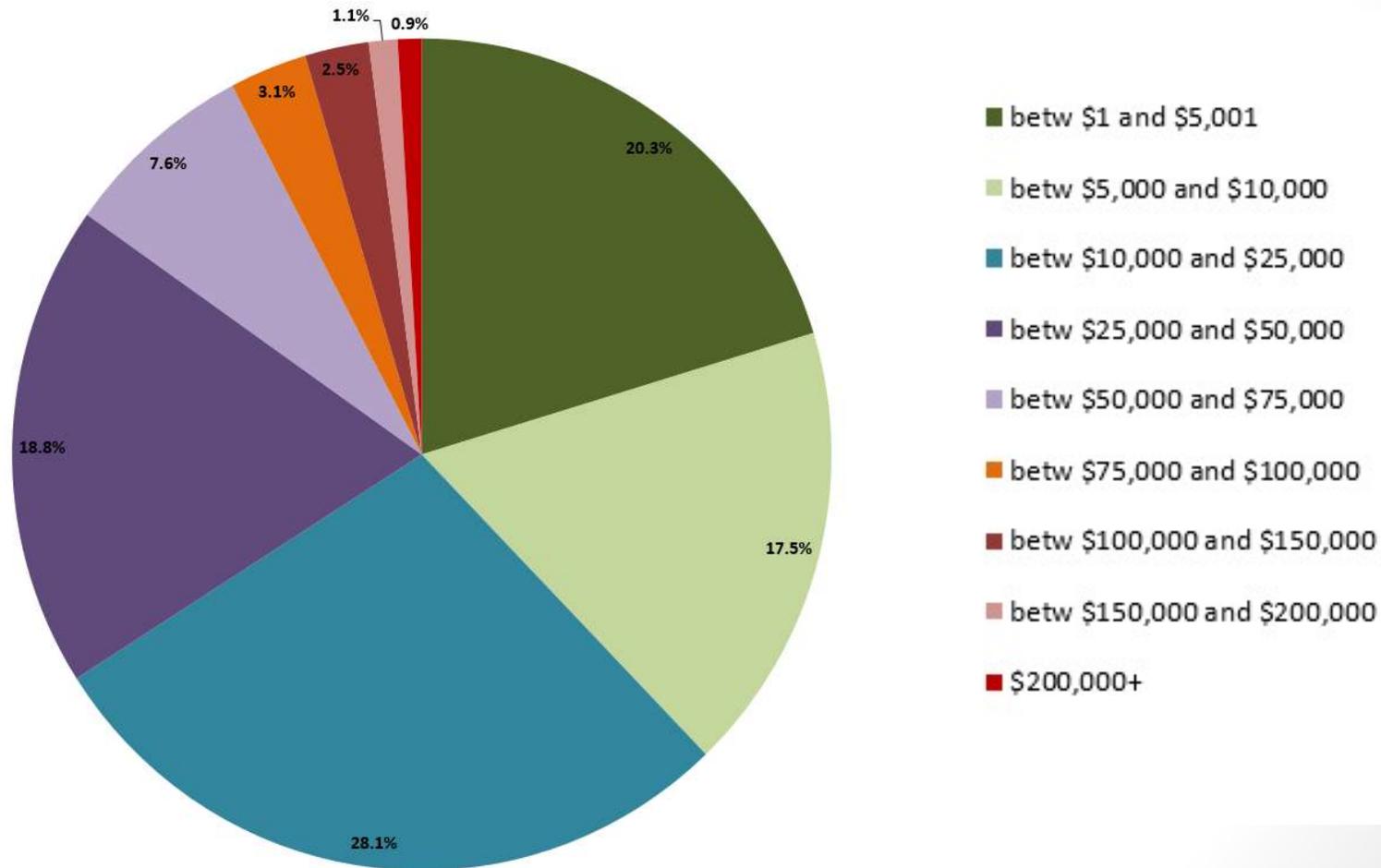
★ Refinance

- The process of combining all loans into one new loan with one payment
- Federal loan benefits are forfeited when refinanced



Debt

Distribution of Student Loan Borrowers by 2015Q4 Balance



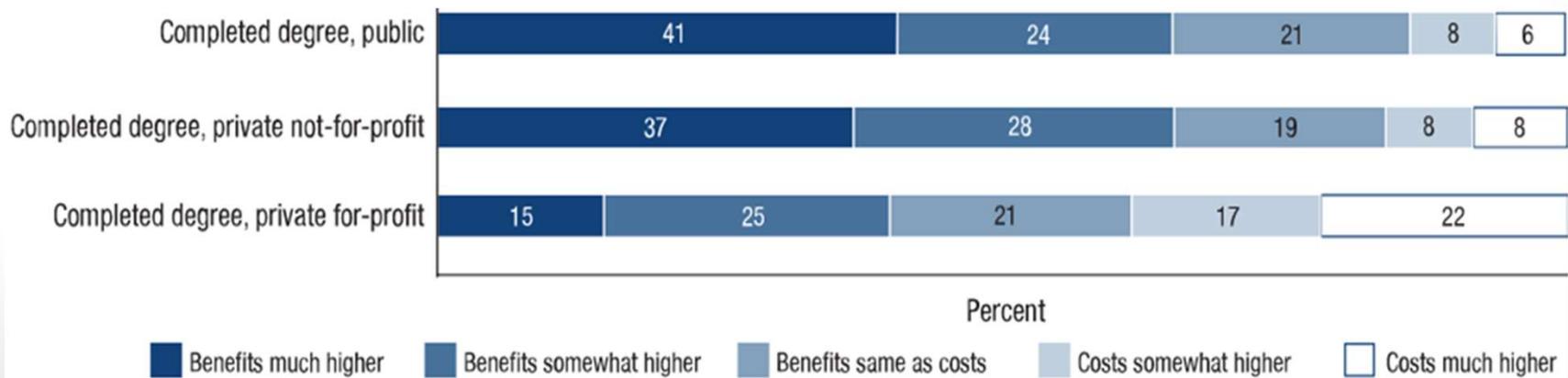
Source: FRBNY Consumer Credit Panel/Equifax

Debt Continued

★ The type of school you chose can effect if a lender will lend to you:

Institution type	Currently owe education debt, behind	Currently owe education debt, not behind	Paid off loans
Public	6.4	46.9	46.7
Private not-for-profit	8.5	47.5	44.1
Private for-profit	21.7	48.5	29.8
Overall	10.3	45.4	44.3

★ Lifetime financial benefit of a degree:



Source: Federal Reserve

Should You Refinance?

- ★ \$30,000 in student loans at another institution with an average interest rate of 6.25% for 10 years



Monthly Payment	\$337
Total Interest	\$10,428

- ★ Refinance the \$30,000 at Novation with an interest rate of 4.25% for 10 years



Monthly Payment	\$307
Total Interest	\$6,882

Savings
\$3,546

Loans Eligible for Refinance

- ★ Private Student Loans

- Undergraduate or Graduate Loans
- Previously Consolidated Loans

- ★ Federal Student Loans

- Direct Loans (subsidized and unsubsidized)
- Perkins Loans
- Grad PLUS loan
- Previously Consolidated Federal Loans

- ★ Parent PLUS Loans

- ★ Institutional Education Loans

- Can be from any school as long as graduated from an approved school

Novation's Student Loan Refinancing Solution

- ★ Easy and quick online application
- ★ One loan with one payment
- ★ All student loans are eligible
 - Including any previous colleges
- ★ Undergraduate and Graduate



Novation's Student Loan Refinancing Solution

- ★ Up to \$100,000
- ★ No fees
- ★ Fixed rates starting at 3.25% APR*
- ★ Option for no cosigner
- ★ All loans or you select
- ★ Borrow from a credit union you can trust
- ★ Apply at www.novation.org
- ★ We are awesome



* APR= Annual Percentage Rate and includes .25 bp reduction for automatic payments

Questions

