Student Loan Solutions

Discussion with MSD of Wabash County
EDUCATORS STRUGGLE WITH SKY HIGH STUDENT LOAN DEBT

More than sixty percent of educators have student loan debt, and that debt weighs heavily on their decision to stay in the profession.

34% are considering leaving the profession due to FINANCIAL STRESSES

88% would be more likely to stay in the profession if they could get their STUDENT LOANS FORGIVEN

70% would stay in the profession longer if they could get a LOWER PAYMENT on their student loans

Horace Mann Educators Student Loan Debt Study, June 2020
Teacher Loan Forgiveness
Designed for current and former classroom teachers

Qualifications
- 5 consecutive years in a qualifying school
- New borrower after Oct. 1, 1998

Qualifying loans
- Direct Subsidized and Unsubsidized Loans
- Federal Family Education Loans

Forgiveness
- $5,000 for most teachers
- Up to $17,500 for special education and highly qualified secondary math and science

*Must teach in a low-income elementary school, secondary school or educational service agency listed in the Teacher Cancellation Low Income directory. Definition of “secondary” varies by state.
Source: Federal Student Aid.*
Public Service Loan Forgiveness (PSLF)

This program is available to all full-time public school employees. After program completion, the amount forgiven = remaining loan balance

120 qualifying payments...

...in qualifying repayment plans...

...while working for a qualifying employer...

...and apply for PSLF

Start

LOWER PAYMENTS now and FORGIVENESS later = powerful RETENTION incentive

Source: Federal Student Aid
98% of PSLF applicants are denied due to:

- Non-qualifying payments (59%)
- Missing information (26%)
- No eligible loans (11%)
- Other reasons (2%)

Less than 4% of public school employees have applied for PSLF

77% haven’t been informed by their loan servicer about forgiveness opportunities

Most problems are preventable with awareness and planning

Sources: Horace Mann Educators Student Loan Debt Study, June 2020
U.S. Department of Education Office of Federal Student Aid, “Public Service Loan Forgiveness Program Data” as of November 2020
**Repayment plans based on income**

Income driven repayment plans qualify for PSLF and may lower payments

Teacher profile: $36,000 income | $35,000 student loan debt at 5.5% interest rate | single

<table>
<thead>
<tr>
<th>Repayment plan</th>
<th>First monthly payment</th>
<th>Last monthly payment</th>
<th>Total amount paid</th>
<th>Loan forgiveness after 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Default plan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>$380</td>
<td>$380</td>
<td>$45,606</td>
<td>$0</td>
</tr>
<tr>
<td>Extended Repayment Plan</td>
<td>$215</td>
<td>$215</td>
<td>$64,556</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Common servicer suggestion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay As You Earn</td>
<td>$141</td>
<td>$199</td>
<td>$20,279</td>
<td>$34,156</td>
</tr>
</tbody>
</table>

**Plans that DON’T qualify for PSLF**
- Graduated
- Extended Fixed
- Extended Graduated
Beware! In best interest of loan servicer

**Plans that DO qualify for PSLF**
- PAYE
- REPAYE
- IBR
- ICR

Source: Tuition.io Strategy Finder calculator. Assumptions match the Federal Student Aid Repayment Estimator, including a 2% annual salary increase. The teacher profile above is a hypothetical example provided for illustrative purposes only and is not an individualized recommendation.
A formula for success

Webinars and online resources
Individual Student Loan Solutions accounts and loan coaching
One-on-one follow up and financial success consultations
On the path to a brighter financial future

*Potential savings of educators assisted by Horace Mann with Public Service Loan Forgiveness from October 2016 through 2020 based on assumptions established by the U.S. Office of Federal Student Aid. For more information regarding the U.S. Office of Federal Student Aid assumptions, refer to www.studentaid.gov/loan-simulator.
Program serves an unmet need for help to qualify and apply for loan forgiveness

82% of educators want to see if they qualify for loan forgiveness

79% of educators want help on how to apply for forgiveness

Impact in 2020:

>85% learned they could be better off

$75,000 average Public Service Loan Forgiveness (estimate)

$330/month average loan payment savings (estimate)

> $100 million additional student loan forgiveness potential

Sources: Based on potential savings of educators assisted by Horace Mann with Public Service Loan Forgiveness from October 2016 through 2020 based on assumptions established by the U.S. Office of Federal Student Aid. Monthly savings are based on 2020 only. For more information regarding the U.S. Office of Federal Student Aid assumptions, refer to www.studentaid.gov/loan-simulator. Horace Mann Educators Student Loan Debt Study, June 2020.
### Reduction in employee turnover with Tuition.io

Real clients with contributions toward loans

<table>
<thead>
<tr>
<th>Representative employer</th>
<th>Non-participant turnover</th>
<th>Participant turnover</th>
<th>% lower turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care – senior care</td>
<td>58%</td>
<td>22%</td>
<td>61%</td>
</tr>
<tr>
<td>Education</td>
<td>38%</td>
<td>18%</td>
<td>52%</td>
</tr>
<tr>
<td>Technology hardware</td>
<td>34%</td>
<td>18%</td>
<td>46%</td>
</tr>
<tr>
<td>Energy/utility</td>
<td>17%</td>
<td>11%</td>
<td>40%</td>
</tr>
<tr>
<td>Municipal government</td>
<td>22%</td>
<td>14%</td>
<td>38%</td>
</tr>
<tr>
<td>Employer services</td>
<td>28%</td>
<td>18%</td>
<td>38%</td>
</tr>
<tr>
<td>Health care – hospital</td>
<td>24%</td>
<td>18%</td>
<td>26%</td>
</tr>
<tr>
<td>Industrial manufacturer</td>
<td>29%</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Financial services</td>
<td>32%</td>
<td>27%</td>
<td>15%</td>
</tr>
</tbody>
</table>

*Source: Tuition.io. Turnover metrics are cumulative from each employer’s student loan repayment benefit program launch through January 31, 2021. Periods of performance range from two to four years.*
Other organizations contract directly with Tuition.io and pay an annual licensing fee

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Standard annual cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 1,500</td>
<td>$7,200</td>
</tr>
<tr>
<td>2,500</td>
<td>$7,500</td>
</tr>
<tr>
<td>5,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>10,000</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

With Horace Mann program:
- NO cost to district
- NO cost to employees
- We fully sponsor access because we know it helps address a major financial burden for most educators

Companies that trust the Tuition.io platform for their employees
- For profits
  - Ford
  - ADP
  - Hulu
  - Estee Lauder
- Public service
  - Freddie Mac
  - Trilogy Healthcare
  - Children’s Hospital & Medical Center

Source: Tuition.io.
SLS Accounts powered by Tuition.io

Robust resources and tools to better manage student loans

Comprehensive information and calculators

Secure loan linking to 100s of loan servicers

Quick access to your Horace Mann representative

Link your student loan accounts to get full access to all Tuition.io’s education assistance benefits.

+ ADD LOANS

Student Loan Coaches
Speak with a student loan expert. Schedule time for a call.

Loan Forgiveness
Learn about Public Service Loan Forgiveness (PSLF) and more

Types Of Student Loans
Learn how Federal loans are different
**Strategy Finder**

Helps determine best strategy for repaying federal loans, including help to qualify for Public Service and Teacher Loan Forgiveness.

### Top Strategy: Pay As You Earn Repayment Plan + Public Service Loan Forgiveness

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Total Payoff Amount</th>
<th>Years to Repay</th>
<th>Monthly Payment</th>
<th>Estimated Total Interest Paid</th>
<th>Estimated Loan Forgiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your current plan 10 Year Standard</td>
<td>$45,606</td>
<td>10 Year(s)</td>
<td>$380</td>
<td>$10,606</td>
<td>$0</td>
</tr>
<tr>
<td>Pay As You Earn Repayment Plan + Public Service Loan Forgiveness</td>
<td>$20,279</td>
<td>10 Year(s)</td>
<td>$141-199 changes with income</td>
<td>$19,435</td>
<td>$34,156</td>
</tr>
</tbody>
</table>

Erin consider switching to the Pay As You Earn Repayment Plan + Public Service Loan Forgiveness. You could save **$25,327.**

Total amount saved from lower monthly payments.

Plus, amount forgiven after 10 years of service.

Calculations for potential forgiveness and monthly payments are estimates based on information entered and certain assumptions and are not guaranteed to be accurate or complete. The strategy above is a hypothetical example provided for illustrative purposes only. Example assumes: Single, $36,000 income, $35,000 student loan debt at 5.5% interest rate, 2% annual salary increase.
Instructions and support to get started

Provides next steps and links to get started, plus loan coaching by phone, chat or email.

**PAYE**

How to switch to the Pay As You Earn repayment plan

1. Submit the Income-Driven Repayment Plan Request Form.
2. Your servicer will automatically update your payment amount, but it can take some time. You can check on the status of your application by contacting your servicer.
3. PAYE needs to be renewed every year. Be sure to update your income and family size annually to stay on this plan.

**PSLF**

How to qualify for Public Service Loan Forgiveness

1. Make sure you’re on the PAYE repayment plan.
2. Make sure you’re in eligible employment by completing & submitting the Employment Certification Form. Track your progress toward PSLF by submitting your ECF at least annually.
3. After making 120 months of eligible payments, submit your application for PSLF. While you wait for approval, be sure to continue making your minimum monthly payments to remain eligible for forgiveness.

- Live technical support (phone, chat, email) M-F, 7am-7pm CST
- Loan Coach support by appointment (phone, chat) or email
# Sponsored partnership options

## Employee benefits

<table>
<thead>
<tr>
<th>Service</th>
<th>Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Webinars</td>
<td>x</td>
</tr>
<tr>
<td>Account tools</td>
<td>x</td>
</tr>
<tr>
<td>• Loan forgiveness calculator</td>
<td>x</td>
</tr>
<tr>
<td>• Loan linking and notifications</td>
<td>x</td>
</tr>
<tr>
<td>Loan coaching</td>
<td>x</td>
</tr>
<tr>
<td>• Default</td>
<td>x</td>
</tr>
<tr>
<td>• Loan forgiveness</td>
<td>x</td>
</tr>
<tr>
<td>• CARES Act</td>
<td>x</td>
</tr>
<tr>
<td>1:1 financial consultations</td>
<td>x</td>
</tr>
</tbody>
</table>

## District partner benefits

<table>
<thead>
<tr>
<th>Service</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee communications package</td>
<td>x</td>
</tr>
<tr>
<td>Loan forgiveness tracking</td>
<td>3-year</td>
</tr>
<tr>
<td>Student loan debt benchmarking</td>
<td>3-year</td>
</tr>
</tbody>
</table>

*Comprehensive service level for all employees under any program duration*

*Impact reports with three-year commitment to program. Includes:*
- Employee participation
- Average student loan debt
- Estimated loan forgiveness
- Estimated monthly savings
- Benchmarks at state and national level

*CARES Act: Coronavirus Aid, Relief, and Economic Security Act.*
*Horace Mann’s Student Loan Solutions program terms are subject to change.*
Next steps

1. Questions
2. Partnership duration
3. Webinar date(s)
4. Employee communications
5. Point of contact
The information provided here is for general informational purposes only and should not be considered an individualized recommendation. Horace Mann and Tuition.io are private, independent companies not affiliated with the Department of Education or the federal government. Horace Mann does not negotiate, adjust or settle debts. No assistance provided by Horace Mann constitutes official action for purposes of student loan forgiveness programs or guaranteed results. Tuition.io is an employer benefit student loan debt management platform that helps borrowers, though their employer or other sponsor, reduce and better manage their student loan burden.

Thank you!

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