

**Time Period:**

3 Weeks

Industry:

Education

Career Stage:

Early Career

Instead of budgeting for a hefty student loan payment, our client found she was eligible for \$60K of debt forgiveness.

User **SUCCESS** Stories

How One Client Learned That \$60K of Her Student Loan Debt Could Be Forgiven!

THE STORY

Our client is an educator who was nervous about her student loan debt. She had been in forbearance since graduation but knew she'd have to start making payments in January 2023 when the Federal Student Loan Restart took effect. She was looking for help adding these payments to her budget. When she came to SmartPath, she had made no payments on her debt. She had \$61,000 in student loan debt and \$6,900 in credit card and personal loan debt. Her SmartPath coach helped her make a plan to tackle her debt by:

- Investigating debt forgiveness
- Exploring Public Service Loan Forgiveness (PSLF)

THE PLAN

Our client met with a SmartPath coach, who helped her investigate strategies for dealing with her debt. The coach asked her client if she had a Pell grant, or if she had explored Public Service Loan Forgiveness. Our client had never heard of these programs and was eager to learn more. The coach carefully explained the application process and helped the client determine if she was eligible for any type of forgiveness.

THE OUTCOME

The client discovered that three of her past jobs qualified for Public Service Loan Forgiveness. The client came to coaching just in time. There was a limited waiver in place expiring in just a few months, which meant her years of service would qualify, even though she was in a state of forbearance at the time. She completed all the necessary paperwork and got the required signatures. The client had 120 months of qualified Public Service - which meant \$60,000 of her debt would be forgiven! Our client was relieved and able to start the new year on a more certain footing, with a better handle on her budget.



\$60K

In Loan Forgiveness

120
months

Eligible PSLF Employment

STUDENT LOAN STRATEGIES

10-Year Plan

Depending on the client's income and available FUEL* this may be the best option.

Forgive It

For clients whose student loans outweigh their earning potential, loan forgiveness may be the way to go. This way, they can focus on other goals while making minimal payments until forgiveness is achieved (10-25 years).

Crush It

Clients with a strong income or a financial windfall can benefit from aggressively paying down their loans. By making large payments, they reduce the total debt and interest paid over time.

Mix It Up


Some clients may start with minimum payments but find themselves able to accelerate repayment as their financial situation improves. This allows for flexibility— a little progress at first and eventually crushing their loans as income increases.


*We define FUEL as your free cash after you subtract all monthly expenses from your take-home pay.


About SmartPath

SmartPath is the leading provider of comprehensive financial education solutions in the country. Its robust offering includes daily educational classes, one-on-one coaching, and digital tools that empower individuals on the journey to financial freedom. Founded in 2010 and supporting over 700,000 individuals, SmartPath delivers its financial education solutions in partnership with financial institutions, fintech companies, and employers nationwide. For more information, visit www.joinsmartpath.com.



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