



# WHAT TO KNOW ABOUT PAYING EXTRA

If you're current on your loans and you send us more than your minimum payment amount, it's your choice how the money is applied. Read on to learn what your options are when it comes to paying extra.

**Note:** If you don't want your extra payment to be applied to future installments, **you must check the box that keeps your next payment due date as is.** If you do not check this box, any extra money will be applied to future payments.

## OTHER THINGS TO KEEP IN MIND

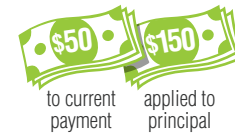
When you make a payment—unless you're signed up for the Income-Based Repayment Plan—the payment is applied:

- 1<sup>st</sup> to fees
- 2<sup>nd</sup> to interest
- 3<sup>rd</sup> to principal

If you have multiple loan groups, you can decide to pay extra on the loan group of your choice. If you do this, it's wise to apply the extra money to the loan with the higher interest rate, which will save you more money in the long run.

### SCENARIO #1\* > Standard Repayment Plan: YOU OWE \$50. YOU PAY \$200.

If you stipulate that the extra money will not go toward future installments



If there are still fees/interest left after the \$50, this will not be the case.



How Your \$200 Payment Gets Applied:

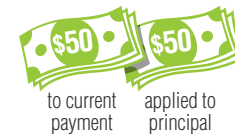
Next Payment Due:

If you *don't* stipulate that the extra money will not go toward future installments



### SCENARIO #2\* > Income-Based Repayment Plan: YOU OWE \$50. YOU PAY \$100.

If you stipulate that the extra money will not go toward future installments



If there are still fees/interest left after the \$50, this will not be the case.



How Your \$100 Payment Gets Applied:

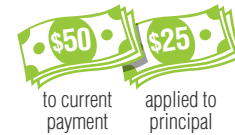
Next Payment Due:

If you *don't* stipulate that the extra money will not go toward future installments



### SCENARIO #3\* > Standard Repayment Plan: YOU OWE \$50. YOU PAY \$75.

If you stipulate that the extra money will not go toward future installments



If there are still fees/interest left after the \$50, this will not be the case.



How Your \$75 Payment Gets Applied:

Next Payment Due:

If you *don't* stipulate that the extra money will not go toward future installments



But, you'll only owe \$25.

\*Scenarios assume you do not owe more than \$50 in unpaid accrued interest and/or fees.

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