

2022 SMCC Graduates Average Loan Debt: \$9,545

Below is an example of what loan repayment could look like for our average 2022 graduate. This is an example for informational purposes only. This example is not based on each graduate specifically, rather on the average and was determined using the federal student aid loan repayment calculator.

Loan Types Borrowed	Interest rates	Amount borrowed/owed
Direct Subsidized Loan	3.4%	\$3,500
Direct Unsubsidized Loan	3.4%	\$2,000
Direct Subsidized Loan	3.4%	\$4,045
Total Owed		\$9,545

The following example was generated using these assumptions: That the borrower has a job or is planning to get one soon. The borrower will live in Maine and has an annual salary of \$25,000 with estimated income growth of 0% during repayment, with an average interest rate of 3.4%. Your actual loans and information entered into the loan simulator will differ from this example.

Standard Repayment Plan Example

Loan Amount Borrowed: \$9,545
Months in repayment: 120 (10 years)
Average repayment interest rate: 3.4%
Monthly Payments Due: \$94
Forgiveness amount: \$0
Total Loan Payment (with interest): \$11,284

REPAYE Repayment Plan Example

Loan Amount Borrowed: \$9,545
Months in repayment: 240 (20 years)
Average repayment interest rate: 3.4%
Monthly Payments Due: \$47-\$0
Forgiveness amount: \$10,409
Total Loan Payments (with interest): \$3,465

- For the example outlined above, the plan that will cost you the least over the life of repayment is REPAYE. It is expected that forgiven loans will be counted as taxable income for the borrower the year that they are forgiven, for example if you have \$10,409 forgiven in 2042, your adjusted gross income on your 2042 taxes will look like for this example: \$25,000 income earned from work + \$10,409 forgiven loan = \$35,409 that you will pay taxes on.
- To simulate your repayment and view specific repayment plan options available to you: <https://studentaid.gov/loan-simulator/>

View your loan detail: Log into <https://studentaid.gov/h/manage-loans> to access your loan servicer information, and view full details about your loans. Find the type of loans you've borrowed, total you owe, and interest rate detail.

Southern Maine Community College Repayment Statistics

2019 Cohort

Default Rate:

2.9%

2020 Draft Cohort

Default Rate:

0%

Numerator
Denominator

36
1207

Numerator
Denominator

1
1127

Loan Repayment Rate: 50.72%

2019 National Average Cohort Default Rate: 2.3%

Percentage of 2021-2022 Students who borrowed a loan at SMCC: 18%

(923 borrowers of 5253 eligible enrolled students during the fall, spring or summer semesters in 2021-2022)

Additional assumptions for repayment example:

- Monthly payment amounts presented are estimates only and are based on several assumptions that may not apply to you.
- Repayment period: we assume that you have just entered repayment and estimated your payments assuming you still have the full time period of your repayment plan remaining, even if your actual repayment period remaining is less.
- We assume that you'll pay continuously throughout repayment, with no breaks for forbearance and deferment.
- Discretionary Income: We assume your income would grow by 0% each year, that your family size would remain the same and that the poverty guidelines will increase based on the Congressional Budget office's estimation of inflation.
- To use this loan simulator, go to: <https://studentaid.gov/loan-simulator/>
- Additional repayment estimator tools are available through iGrad at: <https://www.smcc.igrad.com>
- Check with your loan servicer for further assistance in determining which repayment plans may work best for your individual circumstance.
- ECMC Solutions is a valuable, and free resource, available to you, **free of charge**, to assist in navigating the loan repayment process. <https://www.ecmcsolutions.org/>
- SMCC recommends that you borrow only what you need throughout your full educational career.