



UNDERSTANDING STUDENT LOAN REFINANCE OPTIONS IN 2026

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IN THIS PRESENTATION

DISCUSSION TOPICS

- **Changes & Updates**
 - 2026 Changes to Federal Student Loans
- **Understanding Your Current Loans**
 - Federal Student Loans
 - Private Student Loans
- **Is Refinance Right For Me**
 - What are my options?
 - How do I Choose?
 - Real-Life Examples
- **Refinance Tips**





CHANGES & UPDATES

NEW IN 2026-2027



CHANGES & UPDATES

CHANGES COMING IN JULY 2026 TO FEDERAL LOANS

★ All changes will take effect on **July 1, 2026**. For more information, visit studentaid.gov/announcements-events/big-updates

Grad PLUS Loan

Federal loan option for Graduate and Professional Students

What it is now:

Can cover school's full cost of attendance after other aid

What is happening:

Will be **eliminated**

Parent PLUS Loan

Federal loan option for Parents of Undergraduate Students

What it is now:

No annual/aggregate cap, can cover school's full cost of attendance

What is changing:

Will be **capped** at \$20,000 annually, or \$65,000 total per child

Direct Unsubsidized Loan

Federal loan option for Graduate Professional Students

What it is now:

\$138,500 lifetime cap
\$20,500 annual limit

What is happening:

Cap will be **reduced** to \$100,000
\$20,500 annual limit remains the same

CHANGES & UPDATES

CHANGES COMING IN JULY 2026 TO LOAN REPAYMENT

★ Existing Income Driving Repayment (IDR) plans — including SAVE, PAYE, and ICR — will be **phased out July 1, 2026**.

New Repayment Plans

New borrowers will have two options:

- **Standard Repayment Plan**
10 – 25-year term based on amount borrowed
- **Repayment Assistance Plan (RAP)**
\$10 minimum monthly payment and forgives loans after 30 years of payments

Important Notes

- These provisions apply to **new federal student loans** taken out **July 1, 2026, or after**. If you have existing student loans, be sure to visit studentaid.gov/announcements-events/big-updates to carefully examine your options.
- Borrowers currently on PAYE, SAVE, or ICR will **automatically be moved into IBR** (Income-Based Repayment) or RAP if they do not choose a new plan by **July 1, 2028**.



UNDERSTANDING YOUR CURRENT LOANS

FEDERAL VS. PRIVATE STUDENT LOANS



UNDERSTANDING YOUR CURRENT LOANS

FEDERAL STUDENT LOANS

Find information about your loans:

- You'll need your FSA ID
- Log in or create an account at studentaid.gov

What you should know about your loans:

- Your servicer and contact
- Interest rate
- Current balance and repayment term
- Subsidized or unsubsidized
- Monthly payment



If you have federal loans and anticipate needing or qualifying for federal loan benefits, these **WILL NOT** transfer to a private refinance loan.



Benefits

- Deferment after graduation
- Loan discharge for death and disability
- Forgiveness programs for teaching and public service
- Repayment options
 - Standard – Graduated – Extended – Income Based
- Consolidation and refinance options
- Default
 - Fresh Start
 - Consolidation

Note: Federal benefits updates will be effective on July 1, 2027

UNDERSTANDING YOUR CURRENT LOANS

PRIVATE STUDENT LOANS

Find information about your loans:

- Universities financial aid office
- [Annualcreditreport.com](https://www.annualcreditreport.com)
- Experian – Equifax – Trans Union

What you should know about your loans:

- Current balance and repayment term
- Interest rate: Fixed vs. Variable
- Subsidized or unsubsidized
- Monthly payment
- Servicer contact information

AnnualCreditReport.com

The only source for your free credit reports. Authorized by Federal law.

Benefits

- Varies by lender
- Co-signer release
- Interest reduction for automatic payments
- Forbearance options
- Graduated repayment options
- Refinance options



IS REFINANCE RIGHT FOR ME?

WHAT ARE YOUR OPTIONS AND HOW TO CHOOSE



IS REFINANCE RIGHT FOR ME?

QUESTIONS TO CONSIDER

- **What type of student loans do you have?**
 - Interest rate, private or federal, loan term, lender, etc.
- **What are your goals?**
 - Lower monthly payment
 - Change loan term – save money over time
 - Combine multiple loans
 - Remove a co-borrower
- **Do you qualify? What are the lender's borrower requirements and eligibility criteria?**
 - Established credit history, FICO score, Employment history, Steady income, College graduate



IS REFINANCE RIGHT FOR ME?

WHAT ARE MY OPTIONS?

FEDERAL CONSOLIDATION OPTION

★ For Federal Student Loans **ONLY**.

Fixed rates only

*Weighted average of
loans consolidated*

Various flexible terms
up to 30 years

- No origination, processing or disbursement fees
- No co-signer needed
- 0.25% rate discount w/ACH
- No credit or income verified

PRIVATE STUDENT LOAN REFINANCE OPTION

★ For **ANY** Federal, Private, or Institutional Student Loans.

Fixed or variable rates

5, 10, or 15 year terms

- **Usually** no origination, processing or disbursement fees
- Co-signer **may** be needed
- 0.25% rate discount w/ACH
- Underwriting criteria is unique to each private refinance solution

IS REFINANCE RIGHT FOR ME?

CHOOSING WHERE TO REFINANCE

Types of Lenders:

- National financial institution
- Local financial institution
- Online lender

What to Ask the Lender:

- Interest rate and fees
- Repayment terms
- Borrower eligibility
- Application process
- Member service



Product Benefits to Look For:

- Cash back
- Delayed payments/interest
- Auto-pay deduction

IS REFINANCE RIGHT FOR ME?

BENEFITS OF CREDIT UNIONS

Why choose a credit union?

Credit unions are not-for-profit organizations focused on serving their communities. As member-owned cooperatives, they have your best interests in mind.

When you choose your credit union to refinance, you'll enjoy:

- Great rates
- Low fees
- Convenient repayment terms
- A life-long relationship with a lender you can trust

For more information about credit union student loan & refinance options, visit studentchoice.org



IS REFINANCE RIGHT FOR ME?

EXAMPLE 1 – WHAT OPTION WOULD YOU CHOOSE?

Current Loans

One private student loan: \$41,000
+ One private student loan: \$20,000

= Two loans totaling \$61,000

- Interest Rates: 9% and 9.5%
- 15-year Term
- Monthly Payment: \$831
- Total Payments: \$149,705

New Loan Option A

Refinanced multiple loans into
one manageable loan.

One single loan totaling \$61,000

- Interest Rate: 4.74% fixed
- 10-year Term
- Monthly Payment: \$639
- Total Payments: \$76,713

New Loan Option B

Refinanced multiple loans into
one manageable loan.

One single loan totaling \$61,000

- Interest Rate: 6.25% variable
- 15-year Term
- Monthly Payment: \$523
- Total Payments: \$94,145



Both are good choices – it depends on what your short- and long-term financial goals are. Explore all your options!

- Reduced monthly payment (by \$192.42)
- Reduced loan term (by 5 years)

\$72,992.73 Total Savings

- Reduced monthly payment (by \$308.67)
- Same loan term

\$55,560.72 Total Savings

(All rates, terms and calculations are estimated)

IS REFINANCE RIGHT FOR ME?

EXAMPLE 2



Borrower's Main Objective:
Lower interest rates and term.

Current Loans

Four private student loans

= Four loans totaling \$65001

- Interest Rates: 8.625% - 14.5% (v)
- 10-year term
- Monthly Payment: \$900
- Total Interest: \$46,549

New Loan Option

Refinanced loans into one manageable loan.

One single loan totaling \$65001

- Interest Rate: 8.75 (f)
- 10-year Term
- Monthly Payment: \$814
- Total Interest: \$32,755

YES to Refinance

- Lower rate
- Same term
- Less total number of loans
- **Decreased monthly payment (by \$86)**

\$13,794 Total Savings

(All rates, terms and calculations are estimated)

IS REFINANCE RIGHT FOR ME?

EXAMPLE 3



Borrower's Main Objective:
Enroll in graduate school next academic year.

Current Loans

Six federal direct (sub. and unsub.) loans: \$23,460
+ Three private student loans: \$32,330

= Nine loans totaling \$55,790

- Interest Rates: 3.25-5.23%
(fixed and variable)
- 10- and 15-year Terms
(9-14 years remaining)

Deferring Current Loans

Refinance is not this borrower's highest priority, and deferment can help them focus on grad school.

Both federal and private loans may be deferred while in graduate school.

- Federal subsidized loan may not accrue interest while in deferment
- Private loans have low interest rate and manageable monthly payment

NO to Refinance

- The borrower can focus on attending grad school now, deferring both their federal and private student loans.
- **They can always decide to refinance later, once they've finished grad school.**

(All rates, terms and calculations are estimated)



HELPFUL TIPS

REFINANCE TIPS

TOP TAKEAWAYS FOR THOSE LOOKING INTO
REFINANCING THEIR STUDENT LOANS.



REFINANCE TIPS

MAKE WELL-INFORMED DECISIONS



Carefully consider refinancing your federal student loans:

Is a rate or payment reduction worth **losing benefits** such as income-driven repayment and public service loan forgiveness?



Compare rates from **various lenders** to find the best fit for your monthly budget.



Generally, refinancing could be a good idea if you can get a **1 to 2% interest rate drop**.



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Please contact us with any additional questions:
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THANK YOU FOR ATTENDING!

CONTACT US IF YOU NEED MORE HELP.

