

Interview:

Heather Jarvis

Student Loan Expert

AskHeatherJarvis.com

Kris: Hi, this is Kris Alban. Thanks for joining us. I have Heather Jarvis here with me. How are you doing Heather?

Heather: I'm great, thanks. Hi Kris.

Kris: Hi! Heather Jarvis, for those of you that don't know, is a former capital defense attorney that has her own law school debt story that I'm sure she'll share with us. And currently she dedicates her expertise to helping student loan borrowers make better decisions. She specializes in training for high debt borrowers, but also does some stuff for financial aid administrators as well. And she has contributed to student debt relief policy for the Health Education Committee and others in Congress, and she spent several years advocating for Public Service Loan Forgiveness. You can actually check out her website at askheatherjarvis.com. And we at iGrad have done some work with her as well, on some webinars, some different pieces of articles and what I have really found is that, Heather you seem to be from what I can find the biggest expert on public service loan forgiveness, but also I would say the IBR and the new payment plan as well. The, what is it, Pay As You Earn?

Heather: Yeah, thanks Kris. Right, Pay As You Earn is the latest thing that we're all thinking a lot about. But yes, Public Service Loan Forgiveness and Income Based Repayment have been near and dear to my heart for quite a while so we worked really hard to get some of these new programs established and now the tricky part is just making sure people know about them and understand them well so that they can get the benefits.

Kris: Yeah, and that's one thing that we definitely noticed. Even though every student goes through the entrance counselling and most of them are going through the exit counselling, it doesn't seem that they really do understand all of their different repayment options and I would say, more often than not they just end up getting put into the standard payment plan by default since they didn't select anything else and several of them they've been told 10 different times and 10 different ways; don't even know that other repayment plans exist sometimes. So...

Heather: Yeah I think that's right. I mean it's unfortunate how complicated student loan repayment is. There are so many different repayment options that, I think that's part of why people eyes tend to glaze us over because it's just difficult to keep track of all of the differences. Some of the differences are significant, but others of them are really nuanced. So I think it's hard for even the most sophisticated students and graduates to really know how to figure out what's best for them.

Kris: Now, I kind of know a little bit of your background Heather, but I really want everyone else to kind of hear about what made you kind of so passionate about this topic to lead you to doing the things that you are doing today.

Heather: Sure. What started because my sister and I are first generation college-educated. So I came from a family without a lot of money. And when I was going to school I was always taught, like many of us are, that education is the key to having a happy and successful life and

contributing to society. And so I was thrilled to be able to go to college, and I didn't have any knowledge about finances. I mean I remember that my mother hadn't even gotten her first credit card until maybe just a couple of years just before I entered college. So I didn't know anything about that, or investments, or income or anything. I knew there was something called financial aid and that that was how poor kids manage to pay for college. So I borrowed a whole lot of money and ended up getting a legal degree from Duke University and became an attorney, but by the time I was through I owed \$125,000. And unfortunately that's really typical amount of student debt burden for today's professional graduate but at the time that I did it was a little bit kind of cutting edge because most people have managed to not borrow quite as much. So it was interesting, I found actually that the process of figuring out my loans and dealing with how I could afford to take the positions I wanted to take in public service to be one of the most difficult part of my education and one of the trickiest things for me to learn, we've had to manage all that stuff. So I really understand what it is to have student loans and to your know sort of want to make good decisions but not have all the kind of background that enables you to do that. So I've been lucky to be able to for years now, initially in a non-profit atmosphere right now with my own training business to be able to help other people figure out to deal with their loans and get them on the right track.

Kris: Yeah well it's great to hear that you are able to do those kind of things that you wanted to even with all of that student loan debt. There's obviously a group of students like you who they borrow all this money and then they come to find out that the job they are planning on doing or the job they really wanted isn't really going to support their student loan payments. But then you have another set of students who go to a really expensive school or a law program and then half way through realize that's not even what they wanted to do at all, so

Heather: m-hmm

Kris: we found that out when we were, I mean we kind of knew about that before but we really found out as more prevalent as we were going around and interviewing a lot of students about their student loans. And we were doing it specifically for our new entrance and exit counselling that's video based. So what we found is there is a lot of these students that were just really unhappy that they borrowed all this money and in a program that they didn't even want to complete. And we always kind of urge students to really vet out the course that they are taking and their ideal job that they have to have. Because a lot of times they're just going by what they're kind of told about the position or the field without ever experiencing it first hand in an internship type setting.

Heather: m-hmm, that's great advice. Yeah I'm glad you all are able to do that and get that information to students because you're so right at wanting to think what a certain profession does and like for example it reminds me again of my own story. I wanted to be a lawyer, I didn't know any lawyers, no one in our family, had that level of education or profession and so I sort of thought well hey on TV lawyers do a lot of talking and they do a lot of on your feet kind of work and so sort of assume that that was a very big part of the profession, turns out it's not and there's a whole lot of research and writing that most attorneys do. And that really kind of came as a surprise to me, it was not a welcome surprise either.

Kris: So currently I know that you seem to do a lot of stuff on campus for different colleges. Tell us a little about what you do for different schools in some of the schools you work with.

Heather: Yeah, so I do travel a lot and I go to school campuses and one of my favorite things to do and I think one of the things that's most helpful is to be able to speak directly to groups of students in a kind of the training environment, so have a classroom of students and really talk to them about the ins and outs of some of the complexities of the student loan programs. So we talk about the details, for example, of Income Based Repayments, Public Service Loan Forgiveness, and the factors that folks should be thinking about when making decisions about their student loan. So, I think that that's really fun and useful and I do try to make it less deadly-boring than it might be otherwise be, so I think that's part of the difficulty of this information is that it's dry, it isn't exciting necessarily to begin with so it's important to be really careful about how you present the information and make sure that there's some lively interaction so that people are engaged and interested in a way that they may not be otherwise be. So I do a lot of trainings and speeches and I also do a fair amount of meeting and advising for university professionals, both within the offices of financial aid and also within public interest advising or faculty and upper level administration, just to kind of let these folks know both about the realities of student borrowing for their students and graduates but also to help them understand the net picky details of the student loan programs because these details end up making a whole lot of difference to individuals and they're difficult to understand unless it's your fulltime job to understand it. And so that's what I've done for myself, spend all my time making sure that I know the latest and the important information so that other people can benefit from that.

Kris: Okay. In the, sessions you're doing with the students, what's one of the most commonly asked questions that you got in your discussions.

Heather: Well I would say that one thing that I get a lot of questions about especially lately is Student Loan Consolidation. So consolidation is something that most people have heard of or have an inkling that it's something that they need to consider but aren't really sure what the pros and cons of doing that are. And I think it makes sense that that would be a point of confusion especially right now because Student Loan Consolidation used to be much more important and a kind of a much more needed tool for managing student debt than it is now. So there've been a number of changes to the student loan programs over the past say 10 years that has really made a tremendous difference in consolidation. So folks have tons of questions about what that will do with their interest rates and their repayment options and consolidation I think is always a thorny subject.

Kris: Now one thing I recently heard at a conference I was at is that even with all the changes and the Department of Education really trying to set it up so that every student only has one servicer, from what I'm hearing it hasn't really worked out the way it was originally planned. I'm still hearing that a very good course of percentage of students have multiple servicers. Have you heard anything?

Heather: Yeah, I hear the same thing. I hear that really quite often. And I think there's a lot that is, that could be improved about the student loan system, particularly relating to servicing of student loans. I think it's understandable that there would be a lot of growing pains within the system since there have been significant changes in how the loans are originated or disbursed to students and also how they are billed and these bills are collected. So I think it's understandable that the system is kind of convoluted but I also think it's really unfortunate for the students and the graduates and the schools because student loan servicing is really broken in a lot of ways. I get complaints every day, very serious complaints about problems with the servicing of loans. And as you said having more than once servicer is one of those problems.

And so is getting the information you need as a borrower from the company that's responsible administering your student loan. And I just think that there's a lot that needs to be done to improve that, and that's really one of the most urgent needs really when it comes to financial aid right now.

Kris: And you mentioned that you do a lot of sessions for the actual financial aid administrators from different schools. What would you say is one of the most commonly asked questions or possibly one of the most common misconceptions that you get?

Heather: Yeah, so I get a lot of questions from professionals about the details relating to this income driven repayment options including Income Based Repayments, but also the others, because there's a lot of complexities surrounding what happens if a borrower no longer chooses to stay in a repayment plan or wants to make a change or if they have an increase in their income so that they don't have the same kind of debt to income ratio they previously had. We get a lot of misinformation about that. I think mainly because the rules are complicated and the terminology surrounding the rules really doesn't help clear anything up at all. So, I mean people are understandably confused that if somebody leaves the income based repayment what's going to happen and there's a misconception that the payment is going to immediately jump to some large and unaffordable amount which is really not not the case to the degree that I think the people think it is. So I think that's one of the points that I'm most often asked about. And then Public Service Loan Forgiveness also has a number of finer details that people are interested in. For example, which employment counts for Public Service Loan Forgiveness especially you're talking about some grey areas like international employment or working within a religious institution. There's been a lot of kind of grey areas that we've recently gotten some new clarification on so I talk about that a fair amount as well.

Kris: Okay. And of schools you're currently working with, is it strictly law schools or do you work with all types of schools?

Heather: I work with all types of schools. So, most of the information that I focus on is especially important to people who have high student loan balances and graduate and professional borrowers are always make up a large number of the people in that crowd. So the more the more education you have, the more years you're in school and the more advance degrees you pursue the more opportunity you have to borrow a lot of money. So I do work with a lot of graduate and professional programs that including law and veterinarian, dental, medical and other graduate programs especially those that seat a lot of public service positions so like social work and education, theology. And I have done a fair amount of work with undergraduate schools as well because student borrowing continues to grow among undergrads and it's a very real and important issue for them as well but also because there are number of people who are working on undergraduate degrees who are considering whether or not it makes sense for them to pursue graduate or professional education and there are number of things that people can do to kind of help position themselves to launch into that decision with their eyes open and finance that graduate or professional degree in a smarter way that they might if they didn't get that info early in the process.

Kris: Interesting. When schools reach out to you generally, did they usually because they kind of heard some things and they just want you to come out and do this kind of interactive session with their students so that the students can get their questions answered? Or is it more of they have a specific topic that they are having problem with that they want you to address? Like for

example what you just mentioned with the undergrads really kind of vetting out whether they should take that next step and go on to a graduate or master's program?

Heather: I think it's, for me it's really a combination of the two. So I have many schools that contact me because they see the need and the demand for the information on their campuses. So often it's student groups that are in touch with their administration in order to say hey we have questions and we want access to experts who can help us figure this stuff out. So I am able to either go to the campuses or provide some online training which I think gives a great way to reach some of these audiences because that way folks can stay where they are, it's very cost effective and everything in a good way, it will sort of show people what the online resources are as well. But then I do find that there are, that there is an increase or a trend in trying to help students reflect on their path or educational path ahead of time so which I think is great, I think it's really helpful for people to understand before they start fighting off these giant debt burdens that understand why they're doing and if they choose to do it and for what career path they might envision and how that's all going to pan out for them over time. Because I think it's hard, I mean and especially when we're working with young people. It makes sense to people who haven't lived for a super long time or not don't always have all those long term downstream consequences in mind.

Kris: Now I would imagine that as you're kind of working with these different schools you probably see some things in place and maybe in not just particular to one school but maybe kind of a system-wide issue that you think could probably be done a lot better. What's one thing you would change whether it's at a specific school that shall remain nameless, or...

Heather: I would say a couple of things. I think a general issue for schools and therefore for their students and graduates is really insufficient emphasis in resources for the financial aid professionals. So what I mean by that is that for example there are a number of professional schools that share a financial aid office with a larger university. And it's really I think unreasonable to expect that people working in this financial office that's responsible for undergraduate students as well as graduate and professional students would be able to develop an expertise in the issues that are specific to everyone of those kinds of students and grads. I think that people in financial offices work very hard and have their hand full securing aid for the students who are attending the school and helping the students make decisions about financing their education. But I think it's really too much to ask that the same people without greater resources and staffing and training would be also be able to advise people in repayment after they graduate about how to deal with their student loans over the long-haul. And there used to be a different support structure for those offices, it's so that they could have some assistance. And I just feel like the loan servicers and the federal government are not providing everything that the borrowers need. And so I think there's a lot of demand and pressure on schools that they're not well situated to respond to. And unfortunately then what happens is the students and grads end up with very little advice and information that they can rely upon in order to make the good choices. So I see that as a problem.

Kris: Yeah I would agree with that, not just from the kind of looking at the difference between an undergraduate and like a law school or a graduate program but I mean just in different students in different stages of their life as well. I mean one reason why we've been so successful in the financial literacy front is because we realized that there are all kinds of different students out there in various stages of their life so they can't all be put through one specific learning course that doesn't at least personalize it a little bit to each one of them.

Heather: uh-hmmm.

Kris: Like, just to give an example that I always like to give, this is more financial literacy based, but if you would look at these financial literacy resources and that first thing that it tells students is how to set up a checking account. And each school has every single student going through the same experience. So whether it's a law student or a 46 year-old career changer, they wonder why, and this applies to the exit counselling too, they wonder why these students aren't grasping and retaining a lot of this information. Well, in the first 30 seconds you're presenting a concept they've known within the last 20 years, you'd lose their attention.

Heather: uhm-hmmm.

Kris: So, one thing that we've realize too with our entrance and exit counselling, that we need to start offering different versions of it to basically account for that.

Heather: uh-hmm yeah absolutely, I think that's great because it's true, one size does not fit all and people are approaching this counselling from a different place in their lives and in their financial decisions and everything else. And so yeah, you can't, if you're talking down to people or if you're talking about concepts that they don't have a foundation to understand, you're doing them a disservice in either way. So it does need to be more personalization and I'm very excited when there are opportunities for students and grads to get one-on-one training and information but it's I think that's impractical at times or for certain schools like in certain situations because it can there can be tremendous expense. But everybody could benefit from sitting down with an expert. And there really aren't the appropriate kind of experts out and about. There are a number of financial advisers-professionals who are well informed about how to advise people who have money, and who have wealth...what to do with that wealth and money? But when you're trying to work with somebody who has education and has debt or is taking these things on, I think there just really isn't a clear path to who is the professional, who has that information. And I mean if your net worth is negative as it is with many young people today and older people as well you don't need to be learning too much about how stock market works or what you're investment choices are. You need to learn more about the cost of indebtedness and how to best manage that.

Kris: now one thing I've noticed that you've kind of, I think it was fairly recently you started doing them, was the student default webinars that were specifically for I guess ex-students who either have defaulted on their loans or maybe in danger of defaulting on their loans. Can you tell us a little more about that and kind of...

Heather: Yeah

Kris: and how things are going with that?

Heather: Yes so it's been interesting, I've just been experimenting with it for a little while Kris. And so I've had, because I know there are lots of people in default on their student loans or behind on their student loan payments and I also know that there are very significant negative consequences for defaulting. I mean it's just a nightmare for people. It's something that's really hard to deal with and that can hurt people for many many years. And there are great options for staying out of default. And even for getting out of default, even once it does occur. But

unfortunately those options, like so many of the things of this area, are complicated, convoluted and usually hard to access. So why don't we provide, it's simply kind of a self-help roadmap for people. And they can be delivered in a way that is not judgmental and not by their loan collector so because I'm not, I'm interested in trying to help people help themselves and sort of empower them with information. So started doing some online trainings because that's a cost-effective way to reach people and have, have then a couple so far. I actually have another one this evening, it's funny that as we're speaking today. And this is just a chance for people to hear me take them through the process that causes defaults or what default means and why it's not good although many of them already know that. And then focusing on if you do find yourself in situation of default what can you do then because there are couple of different sensible paths including something called Rehabilitation or also the possibility of consolidating in order to cure the default. And then at that point it's a lot of people that can benefit from this income driven repayment options that we've talked about. So it really kind of breaks my heart that there are options for people to postpone or reduce their monthly payments and so that they can afford to repay their loans and be on time. But they don't know we can go about those options or take advantage of those options before they end up in trouble. So I'm hoping to help people get on track so that they don't have to keep on getting collection calls and wage garnishment or tax refund seizure or whatever it may be.

Kris: Well I think that is the case that their phones ringing off the hook and the last thing they want to do is answer it even though on the other end is typically organizations they're really trying to help them and kind of walk them through their different options to resolve the matter. So I imagine it's similar to like a homeowner that's kind of in a foreclosure process and is getting so many calls about demanding money or trying to market some kind of service to help them get out of it for \$10,000 or something. So they really will not answer their phones or open their mail at that point. They're kind of...

Heather: Yeah

Kris: I mean, would you say that students not knowing about their different options is, was kind of one of the biggest eye openers for you? Or was there anything else that you've kind of found out, I know it's the early project but, is there anything else that you've kind of found out that is kind of eye opening?

Heather: Yeah, I mean I think that I was less surprised than I might have been that people weren't aware of all their options, I sort of see that repeatedly and I think it is unfortunate but I think it's also just it's not all that unexpected for me. I do think that I have been somewhat surprised at the number of people who just don't know who is on their side or which of the different parties within the system or ones who have information they can rely upon. So I think that if you said that there are more people who are avoiding contact with various different players within the system, who unfortunately don't necessarily understand exactly who all these different players are. So, and it's, it makes sense that they would be confused because we have lenders, we have guarantors, although bit things have changed, there are agencies that exist. And there are these loan servicers, and there's a whole industry of third party debt collectors and I think sometimes a borrower is lumping everyone in the same category, like okay there's this a company that's here to harass me which, and they may be correct or they may be wrong and it may be that for example the loan servicer has all of the information they need about accessing some of the release that's available to them, if they could just face it. So I think it's unfortunately kind of part of the human instinct, is when we get into trouble one of our coping

mechanisms is just to kind of look the other way or stick our heads in the sand and unfortunately with student loans that's like that ends up making things worse really fast. So I'm glad to be able to provide a kind of a neutral place, or not even neutral but I need people understand and know that I'm really on the side of the student loan borrowers and I'm not trying to do anything other than help those people do what it is that's best for them. And so I've been happy to try that out and so far it seems like it's going to be popular.

Kris: Okay. What would you say, as far as whether is a specific school you were working with or maybe a specific student you were working with, what would you say is one of your most favorite success stories?

Heather: Oh, well I, I've been happy to work with some schools and students who have really tried to do things differently and who I guess I would call cutting edge of these changes we see going forward. So like iGrad I'm working to educate people and so are some schools in some innovative ways that I commend. So for example I know of schools that have started to identify students who are entering law school who already have substantial amounts of student debt and sit down with those folks one on one. And I have worked with schools who are really providing assistance on like how to make budgets and budgets that are based on future income estimates that are derived from recent data as oppose to kind of just guesses or hopes which is less less helpful. But I guess one of the things that makes me feel best is when I can speak to students or graduates who afterwards tell me that, hey now I feel so much better because I realize that this is going to be okay and that what I really need to do is sit down and get my information together and understand what loans I have and what my repayment options are so that I can make a personal strategy that's going to work best for me because people really can do that. There are many more good options for student loan borrowers today than there have been in years past. It's just a matter of sort of getting your head around the idea that you can deal with this debt and you can figure out what to do and you can do it. So that always makes me feel good.

Kris: Okay. And we are running up on time here so just for the last question I have is a, we have a lot of listeners that are kind of financial aid administrators or college administrators, what's the one kind of tool or resource or organization that maybe not a lot of them would know about that's been a huge help to you, whether something they can use to kind of educate their students or something they can use to educate themselves or....

Heather: Yeah that's a terrific question, so there are so many good resources and I think there are a lot of good ones that are known by people in the profession but the one that I rely on a tremendous amount that I think it's maybe less well known is provided by the National Consumer Law Center, and the website is www.studentloanborrowerassistance.org and it has the best information about dealing with student loan debt. So this is something for people who have already borrowed and it tells you very clearly the differences between federal and student loans, the differences between various repayment options and much detail that's useful for people who have any kind of difficulty with their financial circumstances, so everything about every type of cancellation for loans whether it be disability or anything else and deferments forbearances and then in a really really detailed excellent information about default and getting out of default. So what to do if you're having problem with your student loan, I would highly recommend everything that the National Consumer Law Center does about student loans.

Kris: Okay, and I know we kind of got cut short here, so is there anything that we didn't cover

that you were hoping to kind of just get in there in the last 30 seconds?

Heather: The last thing that I would just say is encourage people to really check out the public service loan forgiveness information because we used to tell people that maybe you owe so much that you can't afford to take the job you want in public service even if doesn't pay well. That's really old fashioned advice and it's not the case anymore. So Public Service Loan Forgiveness has changed everything and it's the biggest thing to happen to public service in a generation. And I would encourage folks to look for more info on that. My website www.askheatherjarvis.com has tons of public service loan forgiveness information.

Kris: Yes, that's great advice. And one thing I was going to mention as well is if you have not checked out Heather's site askheatherjarvis.com, make sure to do so. I've noticed there's a lot of great form, question and answers there, a lot of great resources like PDFs and things that you can use as handouts, and some great kind of ongoing regular courses and webinars that she offers as well. All that stuff is either free or available to very nominal cost. And we thank you for joining us on the show, Heather.

Heather: Thanks so much Kris, always happy to work with you on iGrad.

Kris: Alright, thank you.

Heather: Take care.

End of transcript.