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DECEMBER 2015 NEWSLETTER

DEAR FRIENDS AND COLLEAGUES: HAPPY HOLIDAYS TO YOU AND YOURS!

STUDENT LOAN BLUES? THERE IS A “HOLIDAY GIFT” COMING SOON FROM THE DEPT. OF EDUCATION!

For many student loan borrowers, there is no “light at the end of the tunnel.” They owe so much, they don’t see how they will ever pay it off. I had a lady come in recently that is paying on a co-signed private student loan, but she also has \$180,000 in federal student loans, and she just doesn’t believe that she will ever be able to pay it off.

Not to worry! That is the wrong way to look at it. The goal is to “survive” your federal student loan debt. That is, don’t let it grind you down. If you cannot hope to pay it off, at least there are programs that will allow you to pay an affordable amount, with the balance forgiven after so many years.

Up to now we have had Income Contingent Repayment (ICR) (which capped student loan payments at 20% of discretionary income); Income-Based Repayment (IBR) plans (cap of 15% of discretionary income), and Pay As You Earn (PAYE) plans (cap of 10% of discretionary income) but PAYE is currently only for recent graduates.

Beginning December 17, 2015, Direct Loan borrowers will be eligible for a new Revised Pay As You Earn or REPAYE Plan, which will cap their monthly student loan repayment amount at 10% of their monthly discretionary income, no matter when the borrower first obtained the loans. The REPAYE plan improves on the current PAYE plan while extending its protections to all student borrowers with Direct Loans.

And in addition to the monthly payment cap, REPAYE will forgive the remaining debt after 20 years for those who borrowed only for undergraduate study and 25 years for those who borrowed for graduate study.

These changes will make a huge difference for some borrowers, and reduce their monthly federal student loan payments by up to 33% while shortening the repayment period from 25 to 20 years.

As in anything involving the government and regulations, it is more complex than what I have room to explain here. But if you are in default of your federal student loans or cannot afford to pay your standard student loan payments, or even a graduated (stair-step) or extended repayment program, you may want to look into your income-driven repayment options, and REPAYE.

For more information, go to www.ed.gov or www.studentloanborrowerassistance.org. ■



Mr. Black received 4 days of advanced legal training in November at Max Gardner’s Consumer Defense Academy Bankruptcy Bootcamp. The event was held at the beautiful Duke Mansion in Charlotte, North Carolina.

More Mansion photos: www.facebook/jthomasblackpc

Quotes:

Success is the sum of small efforts repeated day in and day out. --- Robert Collier

Surrender to what is; let go of what was. Have faith in what will be. --- Sonia Ricotti

There is nothing better than a friend, unless it is a friend with chocolate. --- Linda Grayson

We are a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We help people find answers to their debt and credit problems, including, when necessary, helping them file bankruptcy under the U.S. Bankruptcy Code.

A LITTLE HUMOR – the hard bargain edition

A man driving down a country road spotted a beautiful horse in a farmer's pasture. He got out and knocked on the farmhouse door. When the farmer came out, the man said, "I'd like to buy your horse."

"Well, he don't look so good," the farmer said. "I don't think you want him."

But the man was insistent. "I'll give you \$1,000."

The farmer hesitated. "I hate to take advantage of you, mister. Like I said, he don't look so good."

"I'll give you \$5,000!"

The farmer agreed, and the man sent a horse van out to the farm later that afternoon.

The next day the man came back. "You cheated me! That horse is blind!"

The farmer shrugged. "I told you he don't look so good, didn't I?" ■

Need information from your mortgage company? If you ask correctly... they must answer.

Companies that "service" mortgage loans are governed by a federal law known as the Real Estate Settlement and Procedures Act (RESPA), 12 USC Sec. 2601 et seq., and the regulations that implement the law are known as Regulation X. Beginning in 2010, rule-making authority over RESPA was given to the Consumer Financial Protection Bureau (CFPB).

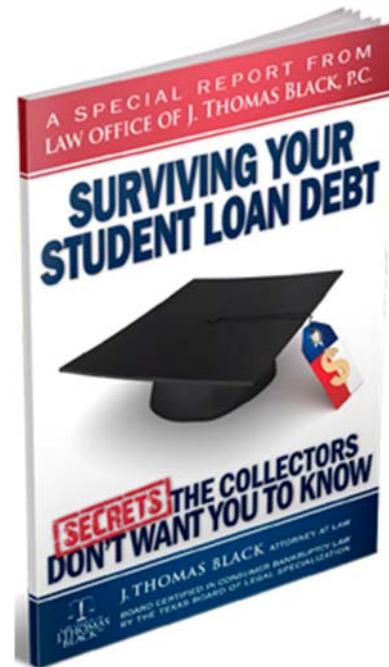
We have had clients become frustrated or even irate because they can't get their mortgage companies to give them information about their loans. Under the law's servicing requirements, you must send a request for information, such as request for a payoff quote, a reinstatement quote, or an account history, to your mortgage company at the "correspondence address" or the address that they provide you for "qualified written requests" on your mortgage statement. Your request must be in writing.

Following receipt of your request for information (RFI), your mortgage company has five business days to acknowledge to you in writing that they have received your request. They have 30 business days to respond to your RFI by either providing the requested information, or by conducting a reasonable search and if they cannot locate the information that you want, telling you that they don't have it and can't find it, and who you can contact for further assistance.

And the law has teeth; consumers can sue their mortgage companies for violating RESPA requirements and be reimbursed for any actual damages they have suffered, plus their attorney's

fees and costs. They can also be awarded additional damages of up to \$2000 if they can show a pattern or practice of noncompliance.

So if you need information from your mortgage company, you can call them on the telephone if you wish, but if you want to invoke the powerful legal protections that you have, send them a written request for information. ■



STUDENT LOAN PROBLEMS?

If you have student loans that are delinquent or in default, don't ignore them. Defaulted federal student loans can lead to administrative wage garnishment of 15% of your paycheck and income tax refund offsets. Request Mr. Black's Special Report, "Surviving Your Student Loan Debt – Secrets the Collectors Don't Want You to Know." Download the Special Report at www.jthomasblack.com or pick one up at our office.

Thank you for your referrals! We accept cases in the following areas-

Bankruptcy.
Debt Collection Defense.
Debt Collector Harassment.
I.R.S. Collection Defense.
Stop Foreclosure and Repossession.
Student Loan Help.
Wills and Trusts.

ARE YOU IN CHAPTER 13 NOW?

Always keep the law office updated with your current address, telephone numbers, and email address. We may need to reach you quickly. You can check on the status of your Trustee payments, how much you still owe on your case, etc., by going to www.ndc.org to set up your user ID and password.

Plan payment too high? Lose job or overtime? It may be possible to surrender property or if your situation has changed to lower your payments. If this is your situation, contact our office for an appointment to prepare a Motion to Modify.

J. Thomas Black was licensed as an attorney in Texas by the Texas Supreme Court in May, 1982. Mr. Black is Board Certified in Consumer Bankruptcy Law by the Texas Board of Legal Specialization.

We are a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We help people find answers to their debt and credit problems, including, when necessary, helping them file bankruptcy under the U.S. Bankruptcy Code.