

Direct Loan and Direct PLUS Exit Counseling

Now that you are leaving school, it is important that you review your rights and responsibilities regarding your student loans. You might have borrowed loans from the following programs:

- Federal Family Education Loan Program (FFELP)
 - Federal Stafford Loans (subsidized and unsubsidized)
 - Grad PLUS Loans
- William D. Ford Federal Direct Loan Program
 - Direct Subsidized and Unsubsidized Loans
 - Direct PLUS Loans

For ease of understanding throughout the counseling session:

- “Direct Loans” will refer to both Federal Stafford Loans and Direct Loans, and “Direct PLUS Loans” will refer to both Federal Grad PLUS Loans and Direct PLUS Loans, *unless otherwise distinguished*.
- “Loan holder” will refer to the organization that holds your loans, makes payment arrangements, and accepts documentation such as payments, deferments, and forbearances. For Federal Stafford Loans, your loan holder may be a lender, secondary market, or servicer. For Direct Loans, your loan holder will be a servicer employed by the U.S. Department of Education’s Direct Loan Program.

Your rights and responsibilities are included on the confirmation page at the end of this counseling session.

Your **Master Promissory Notes (MPNs)** also contain your Rights and Responsibilities. Your MPNs are the binding legal documents that you signed to receive your student loans. By signing those notes, you indicated your commitment to repay your loans.

Things you should know about your MPNs:

- Your MPNs may have been used as a multi-year note if:
 - your school was authorized for multi-year use or
 - you did not change lenders or loan programs.
- The multi-year feature of your MPNs is in effect for 10 years from the date of your signature, so if you go back to school, you may not be required to sign a new note. An MPN may be revoked (so you cannot borrow more loans with it):
 - if you send a written notice to your lender,
 - if you declare bankruptcy, or
 - upon expiration of the 10-year period.
- Your MPNs may have only been used for one year at a time because:
 - your school was not authorized for or chose not to use the multi-year function,
 - you chose to sign a new note, or
 - you changed lenders or loan programs.

Your loan holder is the organization who will make payment arrangements and collect your payments. **It is important that you stay in touch with your loan holder. It is one of your responsibilities!**

You must notify your loan holder if any of the following changes:

- | | |
|--------------------|--------------------------|
| • Name | • Email address |
| • Address | • Enrollment status |
| • Telephone number | • Employment information |

You must also let your loan holder know if you:

- Withdraw from school
- Transfer to a new school
- Have a change in status that would affect your loan status, such as loss of eligibility for an unemployment deferment
- Drop below half-time enrollment
- Graduate
- Employment information

THE MOST IMPORTANT REASON FOR STAYING IN CONTACT WITH YOUR LOAN HOLDER: If you are having difficulties making your student loan payments, there are options to help you, such as deferment, forbearance, or an alternate repayment plan (discussed later).

Loan Servicers

Lenders and the U.S. Department of Education often hire servicers to maintain student loan records and files. Your servicer becomes responsible for processing payments or deferments, among other duties.

Loan Sales for Federal Stafford Loans

To increase the amount of funds available for new loans, a lender may sell your loan. If your loan is sold to a new holder, you will be notified in writing. You must direct future correspondence to the new holder.

Returning to School

Graduate students are not eligible for Direct Subsidized Loans.

More information about your loan history is available through:

- The Student Aid website, <https://studentaid.gov>, where you can review your loan history.
- The U.S. Department of Education website <https://studentaid.gov/understand-aid/types/loans/subsidized-unsubsidized>.
- Your financial aid office.

Repayment Begins

Stafford Loans and Direct Loans (subsidized and unsubsidized)

- Your Stafford and Direct Loans will have a grace period of six months before you enter repayment. This grace period begins the day after you stop attending school at least half time.
- Each loan has only one 6-month grace period. For example, if you took some time off from school and used the grace period on some of your Stafford Loans, those loans will go directly into repayment as soon as you leave school.
- Your loan holder will advise you of your first payment due date while you are in your grace period.

Grad PLUS Loans and Direct PLUS Loans

- Grad PLUS and Direct PLUS Loans entered repayment on the date they were fully disbursed; however, as long as you were enrolled at least half-time, you qualified for an in-school deferment.
- For Grad PLUS and Direct PLUS Loans first disbursed on or after July 1, 2008, you are eligible for a 6-month deferment period which begins the day after you drop below half-time enrollment before your loan enters repayment again. If you are not eligible for this deferment, you can request that your loan holder grant an administrative forbearance to align your repayment begin dates. Otherwise, your first payment will be due within 60 days after dropping to a less than half-time status.
- Your loan holder will advise you of your first payment due date shortly after you leave school or drop below half time.

If you do not receive payment information from your loan holder, it is your responsibility to contact them!

Interest information: You are responsible for paying the interest that has accrued on your unsubsidized Direct Loans and Direct PLUS Loans from the time of the first disbursement. Though you're not required to make payments while in school,

you should pay as much of the interest as possible to avoid a higher principal balance that will occur if the interest is capitalized (added to your principal balance). Loan holders will typically capitalize the interest that accrued on your loans while you were in school on the day your loans enter repayment. Direct Loans will have the interest capitalized upon entering repayment.

SAVE SOME \$\$MONEY\$\$: There is no penalty for making payments while in school or during a grace period. Paying ahead will decrease the total amount of interest that you pay on your loan and may help you to repay your loan faster.

Education Tax Benefits:

- **Tax credits**
 - **American Opportunity Credit:** Families may receive a tax credit for expenses paid for the student's first four years of college.
 - **Lifetime Learning Credit:** You may claim a tax credit for education expenses incurred after the first two years of postsecondary education.

- **Tax deductions**
 - **College Tuition and Fees Deduction:** You can reduce your taxable income for higher education expenses.
 - **Student Loan Interest Deduction:** Allows eligible student loan borrowers to deduct a portion of interest paid.

- **Other potential tax benefits:**
 - Other ways of receiving tax credits or tax deductions on the cost of higher education include Education IRA withdrawals and educational assistance provided by an employer (tuition reimbursement programs).
 - Your state may offer tax credits or deductions for educational expenses and/or student loan payments. Contact your state tax authority for more information.

For more information, contact a tax advisor or visit <http://www.irs.gov>.

Repayment Tips:

- Make sure you have all your loan records organized.
 - It is important that you keep all of your loan papers and correspondence.
 - Keep copies of everything.
- Create a monthly budget
- Know the amount of your student loan payments.
 - Your loan holder automatically arranges a standard repayment plan, but will provide you with information about other options.
 - Make sure that you factor your student loan payments into your monthly budget.
- Check to see if your loan holder offers automatic payment withdrawal.
 - This is an easy way to make sure your payments are made on time.
 - You may be able to lower your interest rate if you sign up for this option.

Repayment Options

You have the option to prepay each loan, pay each loan on a shorter schedule, and change repayment plans. The following are the repayment plans:

Standard Repayment Plan

- Minimum monthly payment is \$50, but may be higher depending on balance
- Equal monthly payment amount
- Maximum repayment period of 10 years

Graduated Repayment Plan

- Begins with lower payment amounts that increase over time
- Payment cannot be lower than your monthly interest amount

- Maximum repayment period of 10 years
- More interest will accrue over the life of the loan because the principal balance decreases at a slower rate.

Income-Sensitive (Federal Family Education Loan Program) Repayment Plan

- An adjusted payment amount based on gross income
- Payment cannot be lower than your monthly interest amount
- Eligibility and payment amount will be adjusted annually
- Up to a 10-year repayment period
- More interest will accrue over the life of the loan because the principal balance decreases at a slower rate.

Income-Contingent (Direct Loan Program) Repayment Plan

- An adjusted payment amount based on gross income and family size
- Eligibility and payment amount adjusted annually
- More interest will accrue over the life of the loan because the principal balance decreases at a slower rate.
- If you do not repay your loan after 25 years, the unpaid portion will be forgiven (you may have to pay income tax on any amount forgiven).

Pay as You Earn (PAYE) (Direct Loan Program) Repayment Plan

- Available to new borrowers if:
 - You have no outstanding balance on a Direct or FFEL Program loan as of October 1, 2007 or have no outstanding balance on a Direct or FFEL Program loan when you obtain a new loan on or after October 1, 2007, and you receive a disbursement of a Direct Loan or a student Direct PLUS loan on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011 (unless your loans repaid by the Direct Consolidation Loan make you ineligible because of the criteria in the preceding bullet).
 - You must have partial financial hardship Your maximum monthly payments will be 10 percent discretionary income, the difference between your adjusted gross income and 150 percent of the poverty line for your family size and state of residence (other conditions may apply).
- If your monthly payment amount is not enough to pay accrued interest on a Direct Subsidized Loan, the Department of Education will pay the remaining interest for a period of three years.
- Eligibility and payment amount adjusted annually.
- More interest may accrue over the life of the loan because the principal balance decreases at a slower rate, resulting in paying more money over the life of the loan.
- Any outstanding loan balance after 20 years is forgiven. You may have to pay income tax on any amount forgiven.

Revised Pay as You Earn (REPAYE) (Direct Loan Program) Repayment Plan

- There is no income requirement to qualify.
- Your maximum monthly payments will be 10 percent discretionary income, the difference between your adjusted gross income and 150 percent of the poverty line for your family size and state of residence (other conditions may apply). Your spouse's income is generally included in the adjusted gross income.
- There is no payment cap, so your payment may be larger than in other repayment plans.
- If your monthly payment amount is not enough to pay accrued interest:
 - On a Direct Subsidized Loan, the Department of Education will pay 100% of the remaining interest for a period of three years. After three years, the Department will pay 50% of the remaining interest.
 - On Direct Unsubsidized Loans, the Department will pay 50% of the difference between the monthly payment and monthly accruing interest.
- Eligibility and payment amount adjusted annually. You must recertify your income each year to remain under the REPAYE plan umbrella.
- If you are removed from or leave REPAYE, the outstanding accrued interest will be capitalized onto the principal balance.
- More interest may accrue over the life of the loan because the principal balance decreases at a slower rate, resulting in paying more money over the life of the loan.

- If you make 240 qualifying payments over at least 20 years, any outstanding loan balance after 20 years is forgiven. You may have to pay income tax on any amount forgiven. If you had loans for graduate or professional programs, you must make 300 qualifying payments over at least 25 years.

Income-Based Repayment Plan

- Available for payments made on or after July 1, 2009
- You must have partial financial hardship. Your maximum monthly payments will be 15% of discretionary income, the difference between your AGI and 150% of the poverty guideline for your family size and state of resident (other conditions apply).
- If the monthly payment amount is not enough to pay accrued interest on a subsidized Federal Stafford or Direct Loan (or the subsidized portion of a Federal or Direct Consolidation Loan), the Department of Education will pay the remaining interest for a period of three consecutive years beginning on the date you first begin repaying under the income-based repayment plan.
- The monthly payment amount may be adjusted annually
- More interest may accrue over the life of the loan because the principal balance decreases at a slower rate.
- Any outstanding loan balance after 25 years will be forgiven
 - Very few borrowers will have a remaining balance after 25 years.
 - The amount that is forgiven may be taxable.

Extended Repayment Plan

- Extended repayment is available to borrowers who had no outstanding balance on Stafford or Grad PLUS Loans on October 7, 1998 and have more than \$30,000 in outstanding FFELP loans or Direct Loans (the combined total from both programs is not taken into account). Payment amounts can be either fixed annually or graduated.
- Maximum repayment term is 25 years
- More interest may accrue over the life of the loan because the principal balance decreases at a slower rate.

Comparison of Repayment Options

As noted above, your payment amount depends on a variety of factors, including your loan balance, interest rate, and in some circumstances, your income and family size. To provide you with a comparison of payment options, we’ve developed this scenario:

You are single and have two children. Your gross income is \$30,000 annually (\$2,500 monthly). For the year in question, the poverty level for your family size (three in your household) is \$18,310. For the purpose of income-based repayment, 150 percent of the poverty level is \$27,465. Your income exceeds this amount by \$2,535.

You enter repayment with a loan balance of \$32,000 (original principal + capped interest).

After two years in repayment, you increase your annual salary to \$60,000 and stay at that amount and experience no changes in your family size for the remainder of your repayment term.

Based on this scenario, and an interest rate of 6.8 percent, your monthly payments might look something like this:

Repayment Option	Maximum Repayment Period	Monthly Payment Amount	Total Interest Paid	Total Amount Paid
Standard	10 years	120 payments of \$368.25	\$12,190.84	\$44,190.84
Graduated*	10 years	24 payments of \$252.86 24 payments of \$307.41 24 payments of \$373.74 24 payments of \$454.37 24 payments of \$552.39	\$14,577.78	\$46,577.78
Income-sensitive**	10 years***	24 payments of \$184.81 120 payments of \$368.25	\$16,626.28	\$48,626.28

Income-contingent	25 years	24 payments of \$194.83 130 payments of \$328.86	\$15,427.72	\$47,427.72
Income-based	25 years	24 payments of \$31.69 140 payments of \$368.25	\$21,007.72	\$53,007.72
Extended	25 years	300 payments of \$222.10	\$34,630.92	\$66,630.92

*The number and length of each payment tier may vary depending on your loan holder(s). The exact payment amounts may vary as well, however, the lowest amount allowed is interest only and no one payment can exceed 3 times that of any other.
 **Additional assumptions: Your loan holder determines (from income documentation you supply) that interest only is a reasonable payment upon your request for income sensitive repayment. When your salary increases after two years you decide you no longer wish to be on the income sensitive plan and do not reapply. Your loan holder does extend your repayment term one year for each year you request the income-sensitive payment plan.
 ***Repayment period may be extended one year for each year you request income-sensitive repayment – maximum of five additional years.

NOTE: The above scenario is intended as an example only. Factors such as your future income, family size, and poverty levels are too variable to predict. For all of the income specific payment plans, your payment may be adjusted annually.

For specific questions about your payment amount or more specific information about the various repayment plans, check with your loan holder.

Solutions for Repayment Problems

Repaying your student loan is a VERY serious obligation. Remember, you are required to make your student loan payments even if you:

- do not complete your education,
- do not complete your program within the regular completion time for that program,
- do not find employment, or
- feel that the education you received did not meet your expectations.

If you are having trouble making your scheduled monthly payment, there are options to help lower your monthly payment, such as a different repayment plan (described previously), or you may temporarily postpone your payments through deferment or forbearance.

Deferment: You are entitled to a deferment of your loan if you meet certain criteria. There are numerous ways to qualify:

- At least half-time enrollment at an eligible school
- Graduate fellowship program
- Rehabilitation program
- Unemployment
- Economic hardship
- Military service
 - While serving on active duty or in the National Guard during a war or other military operation or national emergency
 - National Guard and members of other reserve components who are enrolled at least half time while being called up to active duty can qualify for up to a 13-month deferment following the conclusion of the active duty service.

You are responsible for paying the interest that accrues on your unsubsidized Direct Loans and your Direct PLUS Loans during all periods of deferment. On subsidized Direct Loans, the government pays the interest during deferment periods.

Different deferment options apply to borrowers who had outstanding balances on pre-July 1, 1993 FFELP loans when they obtained subsequent loans. For more information, contact your loan holder or use Mapping Your Future's Deferment Navigator at <http://mappingyourfuture.org/money/deferments.cfm>.

To request a deferment:

- contact your loan holder,
- submit the required documentation for the deferment, and
- continue making payments on your account while waiting for notification of approval.

Forbearance: If you are unable to make your scheduled payments, but do not meet the criteria to qualify for a deferment, the loan holder may grant forbearance to allow you to:

- reduce the amount of your payment or
- temporarily stop making payments.

You must contact your loan holder to request forbearance. Most forbearance is discretionary - it is completely up to your loan holder to grant one. Under certain provisions, loan holders are required to grant forbearance, such as if your student loan payment is greater than 20 percent of monthly income or if you are in an internship or residency.

Your loan holder might grant forbearance under the following conditions:

- If you are experiencing personal problems (such as poor health or financial hardship)
- If you are affected by circumstances such as a local or national emergency, military mobilization, or natural disaster
- If you are serving in a position that may qualify you for loan forgiveness, partial repayment of your loan, or a national service educational award

REMEMBER: No matter what type of loan you have, you are responsible for paying the interest that accrues during forbearance. You may choose to either pay the interest as it accrues or allow it to capitalize. Unpaid accrued interest is added to the principal balance of the loan which increases the total outstanding debt and can increase your monthly payment.

Direct Consolidation Loan: Through consolidation, the U.S. Department of Education buys all of your eligible loans and combines them into one new loan. You must be in your grace period or in repayment on all of your loans to apply for a Direct Consolidation Loan.

Consolidation offers some benefits and drawbacks:

Benefits:	Drawbacks:
Extended repayment of up to 30 years based on your balance	Extra interest over the life of the loan, if you choose a longer repayment period
One monthly payment	Possible loss of eligibility for certain deferments, forgiveness, cancellation, and grace period benefits
Option to prepay or change repayment plans without penalty	Potential loss of some borrower payment incentives if you consolidate (for example, reduced interest rate for on-time payments)
Fixed interest rate	

If you are interested in this type of loan you should contact your loan holder to determine if it is in your best interest. The Department of Education currently has two Direct Consolidation Loan application processes. For general information about Direct Consolidation Loans, visit the StudentAid.gov website at <http://studentaid.ed.gov/repay-loans/consolidation>.

Consolidation repayment example:

You have the following loans you're considering consolidating:

- Loan A: \$2,625 balance, 4.13 percent interest
- Loan B: \$3,500 balance, 5.2 percent interest
- Loan C: \$5,500 balance, 6.1 percent interest
- Loan D: \$5,500 balance, 6.8 percent interest

If you consolidate these loans (a total of **\$17,125**), you'll have **15 years (180 months)** to repay your Direct Consolidation Loan. The weighted average interest rate of the loans is **5.839 percent**. This is rounded up to the nearest 1/8th of one whole percent, resulting in your fixed interest rate of **5.875 percent**.

If you repay your Direct Consolidation Loan under a standard repayment plan, your monthly payment will be **\$143.36**. In the end, you will have paid **\$25,804.18**, which includes **\$8,679.18** in interest.

Loan Cancellation

You are generally obligated to repay your student loan, regardless of what happens. In fact, federal student loans usually are not discharged or cancelled due to bankruptcy. However, there are a few situations in which your loan may be cancelled:

- You die
- You are totally and permanently disabled and meet certain additional requirements
- Your school fails to pay a refund if you withdraw
- You are unable to complete your program of study due to school closure
- Your loan was falsely certified as a result of identity theft
- Your school falsely certified or fraudulently completed a loan application in your name without your approval

Contact your loan holder if you think you may be eligible.

Teacher Loan Forgiveness: For Stafford and Direct Loans, there is a loan discharge/forgiveness program for teachers meeting certain criteria:

- For loans received under the FFELP or Direct Loan Programs after October 1, 1998
- Teach in qualifying low-income elementary or secondary school for 5 consecutive years and meet certain other qualifications
- Teachers of certain subjects may qualify for up to \$17,500 in loan forgiveness

Public Service Employee Forgiveness: There is a loan forgiveness program for public service employees with Direct Loans or a Direct Consolidation Loan. You may be eligible to have the remaining loan balance of your non-defaulted loans forgiven if you:

- Made 120 monthly payments on the eligible loans after October 1, 2007 and
- Are employed in a public-service job at the time of such forgiveness and have been employed in a public-service job during the 120-month period.

Contact your loan holder with questions or if you think you may be eligible for any of the programs mentioned above.

Loan Repayment Programs: There are other programs available to help borrowers repay loans. These include, but are not limited to, the following:

- AmeriCorps service program [<http://www.americorps.gov> or (800) 942-2677]
- Loan repayment for serving as an enlisted person in the National Guard or Reserve programs (contact your recruiter for information)

Delinquency and Default

It is very important that you make your loan payments on time. If you are having trouble making your monthly payment, you should immediately contact your loan holder. As you've previously read, there are options to assist you, but you must ask for assistance!

If you fail to make your student loan payments for 270 days, your loan will default. The consequences of defaulting on your loan are very serious and can result in the following:

- Damage to your credit rating, which could impact your ability to borrow (for example, you may be denied a car loan)
- Referral of your account to a collection agency
- The addition of collection costs to your debt
- Garnishment of your wages

- Withholding of your state or federal Treasury payments (including federal tax refunds, Social Security benefits, etc.)
- Civil lawsuit, which could result in court costs and legal expenses
- Loss of deferment and forbearance entitlements and flexible repayment options
- Loss of eligibility for further financial aid
- Suspension of a professional license

For More Information

To monitor all of your federal student loan debt, you may access your loan history online at <https://studentaid.gov> or call (800) 433-3243. You will need an FSA ID to view your loan history. Please note that this website does not list your alternative or private student loans.

Student loans, especially Direct Loans, can get transferred to different agencies for servicing. Visit NSLDS to find out who is servicing your loans. Here is a list of the most common Direct Loan servicers:

Authorized Federal Direct Loan servicers	Website	Phone numbers for borrower help	Phone numbers for overseas borrowers
Great Lakes	mygreatlakes.org	(800) 236-4300 borrowerservices@glhec.org	(608) 246-1700
HESC/Edfinancial	www.edfinancial.com/DL	(855) 337-6884	(855) 337-6884
Missouri Higher Education Loan Authority (MOHELA)	www.mohela.com	(888) 866-4352	(636) 532-5189
National Education Loan Network (Nelnet)	nelnet.com	(888) 486-4722	(303) 696-3625
Aidvantage	aidvantage.com	(800) 722-1300	If toll-free (no cost per call) number cannot be accessed, use (317) 806-0580 (cost per call)
OSLA Servicing	public.osla.org	(866) 264-9762	(405) 556-9200

The U.S. Department of Education offers the publication "Federal Student Loans: Basics for Students." The publication is located at studentaid.gov/sites/default/files/direct-loan-basics-students.pdf.

Third-Party Student Debt Relief Companies

Use caution when dealing with third-party student loan debt relief companies. Your loan servicer can provide the same services free of charge, such as lowering your monthly payment, changing your repayment plan, consolidating your student loans, postponing monthly payments while you are in school or are unemployed, and getting your loans out of default status.

Contact your loan servicer for help managing your loans. If you don't know who your loan servicer is, access your aid history through <https://StudentAid.gov> or call the Federal Aid Information Center at (800) 433-3243.

Help with a Dispute or Problem

The Federal Student Aid (FSA) Ombudsman works with student loan borrowers informally to resolve loan disputes that the borrower is unable to resolve with the loan holder or guarantor. The goal is to find creative alternatives for borrowers who need help with their federal loans. You can reach the FSA Ombudsman as follows:

United States Department of Education

FSA Ombudsman Group

P.O. Box 1843

Monticello, KY 42633

(877) 557-2575

<https://studentaid.gov/help-center/answers/article/how-to-contact-ombudsman-group>

Good luck in your future! Don't forget these tips for successful repayment of your student loans:

- Keep your loan holder informed.
- Make sure you have all your loan records organized.
- Know the amount of your student loan payments.
- Include student loan payments in your budget.
- Know when your loan payments begin.
- Contact your loan holder immediately if you are having trouble making your monthly payments.

Money Management

Establish yourself financially by building good credit and budgeting to keep your "wants" under control:

- Open checking and savings accounts. Don't overdraw these accounts.
- Make your monthly payments for loans and services on time each month.
- Create a spending plan that meets your "wants" as well as your "needs." Your total expenses should be less than or equal to your total income.
- If things are getting out of control, contact your creditors, seek help from a reputable credit counseling service or look into debt consolidation.

Start saving now! Try paying yourself first. Start an emergency savings fund equal to **six to 12 months of your normal monthly earnings** first.

Understand that **alternative/private student loans have different features** than your federal student loans.

Use your credit cards wisely to help you establish a solid credit rating and avoid financial problems. **Every time you use your credit card, you are borrowing money.** If you don't pay your balance each month, you will have to pay a finance charge. Keep copies of all of your credit card records and receipts to compare to your monthly statements. Follow up on any errors. Shred or otherwise destroy carbons and receipts before throwing them away.

Review your credit report, a collection of information about you and your credit history. Request your free credit reports at www.AnnualCreditReport.com annually and review them to ensure the information is accurate.

Rights and Responsibilities

I hereby certify that I have completed Mapping Your Future's Direct Loan and Direct PLUS exit counseling session, and I understand that student loans have to be repaid. I also understand that I have specific rights and responsibilities when I borrow Stafford and Grad PLUS loans under the Federal Family Education Loan Program and/or Direct Loans and Direct PLUS loans under the Direct Loan Program that are outlined below.

Federal Stafford Loan (subsidized or unsubsidized) and Direct Subsidized or Unsubsidized Loan

I understand that I have the right to the following:

1. Written information on loan obligations, including loan consolidation and information on my rights and responsibilities
2. A copy of the promissory note and paid-in-full notification when the note is paid
3. Before repayment, information on interest rates, fees, the balance owed on loans, a loan repayment schedule and an explanation of default and its consequences
4. Notification, if I am in my grace period or repayment, no later than 45 days after a loan holder assigns, sells or transfers my loan to another loan holder
5. A grace period, if applicable, prepayment of the loan without penalty; and federal interest benefits, deferments and forbearances if I qualify

I understand that I am required to do the following:

- Repay the loan according to the repayment schedule and notify the loan holder of anything that affects ability to repay or eligibility for deferment or cancellation
- Notify the school and loan holder if I graduate, withdraw, drop below half-time, transfer to another school or change my name, address or Social Security Number
- Notify the loan holder if I fail to enroll for the period covered by the loan
- Notify the school and loan holder of any change in address
- Attend an exit interview before leaving school
- I understand that counselors are available in the Financial Aid Office to answer any questions I may have about the loans.
- I understand that this transmission certifies that I have met my obligation to participate in exit counseling as prescribed by federal statute.

If I need more information about my federal student loans, I can visit <https://studentaid.gov> or call them at (800) 4 FED-AID.

If during repayment I develop student loan problems that can't be resolved through the loan holder or guaranty agency, I may want to contact the U.S. Department of Education Federal Student Aid (FSA) Ombudsman. They will collect documentation and work to resolve the situation with me.

United States Department of Education

FSA Ombudsman Group

P.O. Box 1843

Monticello, KY 42633

(877) 557-2575

studentaid.gov/help-center/answers/article/how-to-contact-ombudsman-group

Federal Grad PLUS and Direct PLUS Loans

1. The loan holder is the holder of my Promissory Note and I must, without exception, contact the school and loan holder:
 - if I withdraw from school;
 - if I change my name;
 - if my telephone number changes;
 - if I transfer to another school;
 - if my address changes;
 - if I drop below half-time status;
 - if my Social Security number changes;
 - if my expected graduation date changes;

- if my driver's license number changes; or
 - if I join the military or Peace Corps
2. I will be required to complete an exit interview when I graduate, withdraw, or drop below half-time status from the graduate/professional program. Failure to comply can result in an administrative hold being placed on my diploma, transcripts, and registration status.
 3. My loan will enter repayment on the date of the last disbursement. My first payment will be due within 60 days of the last disbursement.
 4. My minimum payment will vary depending upon how much I borrow. Usually, the maximum length of time for repayment of the loans is 10 years.
 5. Interest will begin to accrue on the unpaid principal balance from the date of disbursement until the entire principal balance is paid in full. If I do not make required interest payments before the beginning of principal repayment, or during a period of authorized deferment or forbearance, I understand that the loan holder may capitalize such interest to the extent permitted by law.
 6. I may be eligible for cancellation of my loan balance in the event of my death or total and permanent disability.
 7. I may request that payments on my loan(s) be deferred based on provisions stated in my Master Promissory Note. I must inform my loan holder or loan servicer of such status in writing in a timely manner.
 8. If I cannot pay on time, I must contact my loan holder to make arrangements. I may be charged late fees or penalty charges for each month I fail to make an installment when due or to comply with other terms of my promissory note or written repayment agreement.
 9. If I fail to repay my loan as agreed, the total balance may become due and payable immediately.
 10. My loan will be considered in default at 270 days of delinquency. If my loan goes into default, I will no longer be eligible to receive further financial aid. My loan could be sent to an outside collection agency and legal action could be taken against me. I will be responsible for all costs of collections as stipulated in my Promissory Note. I will lose my benefits for deferment and forbearance. I understand that default on my loan will be reported to national credit bureaus.
 11. I will promptly answer any communication from the school or loan holder regarding my loan.
 12. I may prepay the entire balance, or any portion thereof, at any time without penalty.
 13. I realize that the maximum I may borrow in any given year is at the discretion of the financial aid director and cannot exceed the cost of attendance.
 14. I authorize my school, loan holder, and guarantor to contact any school which I may attend to obtain information concerning my student status, year of study, dates of attendance, graduation or withdrawal, my transfer to another school or my current address. This authorization is in effect until my loan is paid in full.
 15. I understand that the loan holder may sell or assign my Master Promissory Note and/or my loan(s) and acknowledge that any loan may be assigned independently of any other loan to which my Master Promissory Note applies.
 16. If during repayment I develop student loan problems that can't be resolved through the loan holder, I can contact the US Department of Education's Federal Student Aid (FSA) Ombudsman. They will collect documentation and work to resolve the situation with me.

United States Department of Education
 FSA Ombudsman Group
 P.O. Box 1843
 Monticello, KY 42633
 (877) 557-2575

studentaid.gov/help-center/answers/article/how-to-contact-ombudsman-group

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