

# Exit Counseling

In order to receive future transcripts or enroll at Lee College, students must meet the following requirements. To complete and meet online exit counseling qualifications, once the Exit Counseling information has been reviewed or to visit the National Student Loan Data System website <https://nsldsfa.ed.gov/login>, students must print, complete, and submit the PDF below.

[Exit Counseling Print Form \(PDF\)](#)

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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)
- William D. Ford Federal Direct Loan Program  
Subsidized and Unsubsidized Direct Loans

For ease of understanding throughout the counseling session:

- Direct Loans will refer to both Federal Stafford Loans and Direct 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 Note (MPN) also contains your Rights and Responsibilities. Your MPN is the binding legal document that you signed to receive your student loans. By signing that note, you indicated your commitment to repay your loans.

Things you should know about your MPN:

- Your MPN 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 MPN 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 MPN is good for 10 years from the date you signed, so if you go back to school, you may not be required to sign a new note.
- An MPN may be revoked (so you can't 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 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 (one of your responsibilities).**

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

- Name
- Address
- Telephone number
- Email address
- Enrollment status
- 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
- Have 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**

Stafford Loan 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**

If you return to school in the future, keep in mind that a new Direct Loan borrower on or after July 1, 2013 (who didn't have an outstanding balance on a prior FFELP or Direct Loan as of the date a Direct Loan is received on or after July 1, 2013), may not receive Direct Subsidized Loans for more than 150 percent of the published length of the educational program in which he or she is enrolled.

For example, if you are enrolled in a four-year bachelor's degree program, the maximum length of time for which you can receive Direct Subsidized Loans is six years (150 percent x 4 years). Likewise, if you are attending a two-year program, you can receive Direct Subsidized Loans for three years (150 percent x 2 years).

When considering whether to borrow loans in the future, keep in mind:

- Your maximum eligibility can change if you change programs. If you receive Direct Subsidized Loans for one program, they will generally count against your new

maximum subsidized eligibility period and you eventually may not be eligible for further Direct Subsidized Loans. This may especially affect you if you go from a longer program to a shorter one and have already borrowed subsidized loans.

- If you borrow the maximum Direct Subsidized Loan limit, you may still be eligible for Direct Unsubsidized Loans.
- If you reach this Direct Subsidized Loan limit, you will become responsible for the accruing interest on the Direct
- Subsidized Loans (instead of the federal government paying the interest for you) and the Direct Loan Program will notify you that you will be responsible for the interest that would have previously been subsidized.
  - # For example, on subsidized loans totaling \$15,000, you could be responsible for the \$1,020 in interest that accrues per year if you lose the interest subsidy.
  - # The Direct Loan Program and your school will help monitor your subsidized eligibility to try to help prevent this from occurring.
- More information about your loan history and this 150-percent rule is available through:
  - # [The NSLDS website](#), where you can review your loan history and determine if you are responsible for accruing interest on your Direct Subsidized Loans.
  - # [The U.S. Department of Education](#)
  - # Your financial aid office.

The bottom line with the 150-percent rule is to make good educational choices and complete your program within 150 percent of the published length of the program.

## Repayment

Your student 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.

**IMPORTANT:** Each loan has only one 6-month grace period. If you took some time off from school, you already may have used the grace period on some of your loans, so you may go directly into repayment on those loans as soon as you leave school.

Interest information: The government pays interest only on subsidized Stafford and Direct Loans during authorized periods of deferment. Try to pay the interest on unsubsidized loans while in school and during the grace period to avoid a higher principal balance that would occur if the interest is capitalized at the end of your grace period. Also note that if the loan was first disbursed on or after July 1, 2012, interest will accrue during the grace period. Direct Loans will have the unpaid interest capitalized upon entering repayment.

### When Repayment Begins

- Subsidized and unsubsidized Stafford and Direct Loans: Enter repayment six months after you cease half-time attendance
- Your loan holder will advise you of your first payment due date while you are in your grace period. If you do not receive this information, it is your responsibility to contact your loan holder.

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

## Education Tax Benefits

- Tax credits
  - # American Opportunity Credit: Families may receive a tax credit for expenses paid for the students first four years of college.
  - # Lifetime Learning Credit: You may claim a tax credit for education expenses incurred after the first two years of post-secondary 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 [www.irs.gov](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.
- Know the amount of your student loan payments.
  - # When your loan holder becomes aware that you are no longer enrolled at least half-time, they will send you your repayment schedule.
  - # Your loan holder automatically arranges a standard repayment plan, but will provide you with information about other options (discussed in the next topic).
- 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.

## Payment Schedule Options

You have the option to prepay each loan, pay each loan on a shorter schedule, and change repayment schedules. 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 will be 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 Direct Subsidized Loans, the Department of Education will pay 100 percent of the remaining interest for a period of three years. After three years, the Department will pay 50 percent of the remaining interest.
  - # On Direct Unsubsidized Loans, the Department will pay 50 percent 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 percent of discretionary income, the difference between your AGI and 150 percent of the poverty guideline for your family size and state of residence. (Other conditions apply.)
- If your monthly payment amount is not enough to pay accrued interest on a Direct Subsidized Loan / subsidized Federal Stafford Loan, the Department of Education will pay the remaining interest for a period of three years.
- 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. 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:

<b>Repayment Option</b>	<b>Maximum Repayment Period</b>	<b>Monthly Payment Amount</b>	<b>Total Interest Paid</b>	<b>Total Amount Paid</b>
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,
- are not employed upon completion of your studies,
- do not find employment in your field of study, or
- feel that the education you received did not meet your expectations.

It is very important to understand your rights and responsibilities. Your rights and responsibilities are included on the confirmation page at the end of this counseling session. They also are included in your MPN.

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

### **Deferment**

A deferment is a period of time during which your loan holder temporarily suspends your regular payments. If your loans were made on or after July 1, 1993, you may be eligible for the following deferments:

- At least half-time enrollment at an eligible school
- Graduate fellowship program
- Rehabilitation training program
- 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.

- Unemployment
- Economic hardship

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>.

Interest payments during deferment:

- Subsidized Stafford Loan and Direct Subsidized Loan: Federal Government
- Unsubsidized Stafford Loan and Direct Unsubsidized Loan: You

To request a deferment:

- contact your lending institution,
- 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 allow you to:

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

This action is called forbearance. 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 may 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 the interest that accrues during forbearance. You may choose to pay the interest as it accrues or allow it to capitalize. Unpaid accrued interest is added to the principal balance of the loan and 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: a Direct Consolidation Loan. This might be a good option if you have multiple loans and/or loan holders. 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

Extended repayment of up to 30 years based on your balance

One monthly payment

Option to prepay or change repayment plans without penalty

Fixed interest rate

## Drawbacks

Extra interest over the life of the loan, if you choose a longer repayment period

Possible loss of eligibility for certain deferments, forgiveness, cancellation, and grace period benefits

Potential loss of some borrower payment incentives if you consolidate (for example, reduced interest rate for on-time payments)

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 and other options for getting out of debt, visit <https://www.ed.gov/content/3-ways-get-out-student-loan-default>.

### 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 1/8 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. **GENERALLY, FEDERAL STUDENT LOANS MAY NOT BE DISCHARGED OR CANCELED DUE TO BANKRUPTCY.** However, there are a few situations in which your loan may be discharged.

Your loan may be discharged if:

- 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 an identity theft, or
- your school falsely certified or fraudulently completed a loan application in your name without your approval.

**Teacher Loan Forgiveness:** There is a loan discharge/forgiveness program for teachers meeting certain criteria:

- For loans received under the FFELP or Direct Loan Programs after Oct. 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 Sector Employee Forgiveness:** There is a loan forgiveness program for public sector employees with Direct Loans. 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 if you think you may be eligible for any of the discharge or forgiveness programs listed above.

**Loan Repayment Programs:** There are certain programs that help borrowers repay loans. These include but are not limited to:

- the AmeriCorps service program <http://www.nationalservice.gov/programs/amicorps> or 800.942.2677 and
- 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, you have 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 may 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
- Collection costs
- Garnishment of your wages
- Withholding of your state or federal Treasury payments (including federal tax refunds, Social Security benefits, etc.)
- Civil lawsuit, including court costs and legal expenses
- Loss of deferment and forbearance entitlements and flexible repayment options
- Loss of eligibility for further financial aid
- Suspension of your professional license

## For More Information

To monitor all of your federal student loan debt, you may access the National Student Loan Data System (NSLDS) online at <https://nsldsfa.ed.gov/login> or call 800.999.8219. You will need your 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:

<b>Authorized Federal Direct Loan servicers</b>	<b>Website</b>	<b>CONTACTs for borrower help</b>	<b>Phone numbers for overseas borrowers</b>
Educational Services of America, Inc. (Edsouth Services)	<a href="http://www.edfinancial.com">www.edfinancial.com</a>	855.337.6884	855.337.6884
Granite State	<a href="http://www.gsmr.org">www.gsmr.org</a>	888.556.0022	603.225.6612
Great Lakes	<a href="http://www.mygreatlakes.org">www.mygreatlakes.org</a>	800.236.4300 <a href="mailto:borrowerservices@glhec.org">borrowerservices@glhec.org</a>	608.246.1700
Missouri Higher Education Loan Authority (MOHELA)	<a href="http://www.mohela.com">www.mohela.com</a>	888.866.4352	636.532.5189
National Education Loan Network (Nelnet)	<a href="http://nelnet.com">nelnet.com</a>	888.486.4722	303.696.3625
OSLA Servicing (OSLA)	<a href="http://www.osla.org">www.osla.org</a>	800.456.6752	405.556.9200
Navient (formerly Sallie Mae)	<a href="http://www.salliemae.com">www.salliemae.com</a>	800.722.1300	If toll-free (no cost per call); if number cannot be accessed, use 317.806.0580 (cost per call)
VSAC Federal Loans	<a href="http://www.vsac.org/">www.vsac.org/</a>	800.798.8722	802.654.3796

### 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. 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/feedback-ombudsman/disputes/prepare#how-contact>

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](http://www.AnnualCreditReport.com) annually and review them to ensure the information is accurate.

## Rights and Responsibilities

I understand that I have the right to the following:

- Written information on loan obligations, including loan consolidation and information on my rights and responsibilities
- A copy of the promissory note and return of the note when the loan is paid in full
- Before repayment: information on interest rates, fees, the balance owed on loans, a loan repayment schedule, and an explanation of default and its consequences

- Notification, if I am in my grace period or repayment, no later than 45 days after a lender assigns, sells, or transfers my loan to another lender
- 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 lender of anything that affects my ability to repay or eligibility for deferment or cancellation
- Notify the school and lender if I graduate, withdraw, drop below half-time, transfer to another school, or change my name, address, or Social Security number
- Notify the lender if I fail to enroll for the period covered by the loan
- 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 have questions about my Direct Loans, I should contact my Direct Loan servicer (see page 9 for the Direct Loan servicers contact information). If I need more information about my federal student loans, I can visit the National Student Loan Data System (NSLDS) at <https://nsldsfa.ed.gov/login> or call 800.4.FED.AID.

If during repayment I develop student loan problems that can't be resolved through the lender or guaranty agency, I might 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.

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FSA Ombudsman Group  
P.O. Box 1843  
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<https://studentaid.gov/feedback-ombudsman/disputes/prepare#how-contact>

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