

# STUDENT LOAN CHECKLIST

Entrance Interview

Exit Interview

*your dream, your plan, your future*



|                         |                                 |                   |                             |
|-------------------------|---------------------------------|-------------------|-----------------------------|
| Last Name               | First Name                      | Middle Initial    | Social Security Number      |
| Permanent Address       | City                            | State             | Zip Code                    |
| Permanent Phone Number  | Cell Phone Number               | Home Phone Number | Work Phone Number           |
| Driver's License Number | Driver's License State of Issue | School Name       | Anticipated Graduation Date |

**I understand the following information about my student loan(s):**

- I must use my loan(s) only for educational expenses.
- Accepting a student loan may affect my eligibility for other types of financial aid at my school.
- I may use a single Master Promissory Note for more than one loan.
- My signature on the Master Promissory Note is an agreement to pay back all of these loans.
- I must repay my loan(s) with accrued interest and fees even if: I do not complete my education, I am dissatisfied with my education, I do not receive the education or other services purchased from the school, or I am unable to get a job after I complete my program.
- The prevailing interest rate, fees, and repayment terms of my loan(s) are specified in my promissory note(s) and/or disclosure statement.
- I must repay my loan(s) within ten years, unless my loans are consolidated or I have utilized special repayment options, such as income-sensitive repayment or I have qualified for a deferment or forbearance.
- I may prepay all or part of my loan(s) at any time without penalty.
- I have received counseling as to the typical monthly repayment amount regarding Stafford and/or PLUS loans. The minimum monthly payment for my loan(s) is \$50, but can be more depending on the total amount I borrowed.
- I understand the definition of half-time status for my institution for all terms and the impact on the status of my loans if I fall below half-time enrollment.
- I have received sample information for each repayment option. (See back of form for detailed information.)
- I must notify my school and lender in writing within ten days if I change my:
 

|                        |                                     |
|------------------------|-------------------------------------|
| Name                   | School (transfer to another school) |
| Address                | Status (withdrawal from school)     |
| Telephone Number       | Enrollment (less than full time)    |
| Social Security Number | Employer                            |
| Graduation Date        | References                          |
- I will be notified in writing if my loan(s) are transferred to a new holder. I must direct all future correspondence to the new holder of the loan(s).
- Qualifying loan interest paid during the tax year may make me eligible for a deduction of up to \$2,500 of my federal tax liability.
- There are special circumstances under which I may seek a full or partial discharge of my federal student loan. (See back of this page for examples.)
- If I qualify, I may apply for a deferment. Deferment is a postponement of loan payment.
- If I do not qualify for a deferment and am unable to make payments on a loan, I may request a forbearance from my lender. I understand that forbearance is a special arrangement made for borrowers experiencing financial hardship or meeting other specified conditions, such as being in a medical internship or residency.
- If I fail to repay my loan(s) as scheduled, my loans will default and the following may result:
  - My transcript will be withheld.
  - The default will be reported to a national credit bureau and may negatively affect my ability to obtain future credit.
  - The entire unpaid balance of my loan(s), including interest, may become due and payable immediately.
  - I may be ineligible to receive additional federal/state financial aid funds.
  - My professional license may not be renewed or may be revoked.
  - My wages may be garnished.
  - I will lose deferment and forbearance options.
  - My federal and state income tax refunds and any lottery winnings may be withheld.
  - My account may be referred to a collection agency.
  - I may be charged collection costs and attorney's fees.
  - I may have a civil suit filed against me.
  - My account may be transferred to the U.S. Department of Education.
- I have been advised to contact my institution's financial aid office for additional student loan counseling regarding my rights and responsibilities as well as the terms and conditions of my loan.

**I have read and understand all the information on this form (front and back). I have received loan counseling, including repayment options, deferment information, and debt management strategies.**

Student Signature

Entrance Interview Date

**Complete for EXIT Interview**

| References: | Names | Addresses | Phone Numbers |
|-------------|-------|-----------|---------------|
| 1.          |       |           |               |
| 2.          |       |           |               |
| 3.          |       |           |               |

Student Signature

Exit Interview Date

## Repayment Examples Under the Standard Repayment Plan

| Balance at Repayment | 6%  |               |                 | 6.8%  |               |                 | 8.5%                              |               |                 |
|----------------------|---|---------------|-----------------|---|---------------|-----------------|-----------------------------------|---------------|-----------------|
|                      | Subsidized Undergraduate Stafford Fixed Loan Rate<br><i>Payment</i> | <i>Months</i> | <i>Interest</i> | All other Stafford Fixed Rate<br><i>Payment</i> | <i>Months</i> | <i>Interest</i> | PLUS Fixed Rate<br><i>Payment</i> | <i>Months</i> | <i>Interest</i> |
| \$1,000              | \$50  | 22            | \$56            | \$50  | 22            | \$64            | \$50                              | 22            | \$82            |
| \$6,000              | \$67  | 120           | \$1,993         | \$69  | 120           | \$2,286         | \$74                              | 120           | \$2,927         |
| \$10,000             | \$111   | 120           | \$3,322         | \$115   | 120           | \$3,810         | \$124                             | 120           | \$4,878         |
| \$30,000             | \$333   | 120           | \$9,967         | \$345   | 120           | \$11,429        | \$372                             | 120           | \$14,635        |
| \$50,000             | \$555   | 120           | \$16,612        | \$575   | 120           | \$19,048        | \$620                             | 120           | \$24,391        |

### Repayment Options

The choices for repayment of student loan(s) are:

- Standard Repayment – Fixed monthly payments of at least \$50 and payment in full within ten years, excluding periods of deferment or forbearance.
- Graduated Repayment – Monthly payment amount increases over time and payment in full within ten years, excluding periods of deferment or forbearance.
- Income-Sensitive Repayment – Monthly payments are adjusted annually based on expected gross monthly income.
- Extended Repayment – Monthly payments are based on fixed annual or graduated repayment amounts over a period that does not exceed 25 years.

In most cases, repayment (principal and interest) will begin as follows:

- Federal Subsidized Stafford Loans – Six-month grace period after leaving school or dropping below half-time enrollment.
- Federal Unsubsidized Stafford Loans – Interest accrues when the loan is disbursed and is deferred while the student is in school and, unless paid, will be capitalized (added to the principal balance) unless the student advises their lender that they wish to make interest payments while in school. Principal and interest payments begin six months after the student leaves school or drops below half-time enrollment.
- Federal Perkins Loans – Nine-month grace period after leaving school or dropping below half-time enrollment.

### Loan Consolidation

Federal education loans from different lenders and different programs may be consolidated into one new loan depending on the total student loan debt. The repayment plan may be changed, and the repayment term may extend up to 30 years. Extending the repayment term may reduce the monthly payment amount, but it will increase the total interest costs. Some lenders may offer interest rate reduction programs and prepayment is allowed without penalty. Depending on when the consolidation occurs and the types of loans involved, the grace period may be lost as well as the interest subsidy, deferment options, and loan cancellation/forgiveness benefits.

### Deferment Options

A deferment is a period of time during which no payments are required and interest does not accrue unless you have an Unsubsidized Stafford or Grad PLUS loan. If the student has an Unsubsidized Stafford or Grad PLUS loan, the student may pay the interest while in school and during periods of deferment, or the lender may capitalize the accrued interest. If the student is a new borrower on or after July 1, 1993, and meets one of the following conditions, deferment may be granted to temporarily postpone payment on Stafford and/or PLUS Loans. The conditions are:

- Unemployment
- Economic Hardship as specified by federal law
- Enrollment at least half-time in a postsecondary institution
- Participation in a qualified graduate fellowship or rehabilitation training
- Serving on active duty in the U.S. Armed Forces or National Guard

Additional deferment options and information can be requested directly from the lender.

### Repayment Assistance and Loan Information

Federal student loan information may be obtained by visiting the National Student Loan Data System Web site at [www.nslds.ed.gov](http://www.nslds.ed.gov) or by calling the Federal Student Aid Information Center at (800) 4-Fed-AID or TTY (800) 730-8913.

### Forbearance

Forbearance is a special arrangement between the lender and borrower if the borrower meets at least one of these conditions:

- Has a financial hardship
- Participates in a medical or dental internship or residency
- Has a student loan debt equal to or greater than 20% of the total monthly income
- Serves in a national service position or is receiving a national service educational award under the National and Community Service Trust Act of 1993 (AmeriCorps, Learn and Serve America, and Senior Corps)
- Meets eligibility requirements of certain loan forgiveness programs
- Affected by a local or national emergency or resides in a designated disaster area
- Subject to a military mobilization

### Loan Discharge, Forgiveness, and Cancellation

Eligibility for a full or partial discharge of federal student loan(s) may be granted under the following circumstances:

- Death
- Total and permanent disability certified by a physician or the U.S. Department of Veterans Affairs
- Undue hardship in an adversary proceeding before a bankruptcy court
- Non-completion of studies due to school closure or school closure within 90 days of the student withdrawing from the school
- False certification of the loan by the institution
- School failure to make a required refund to the lender on the student's behalf
- Identity theft crime victim

### Debt Management

Taking the time to plan for repayment of a student loan can save hundreds of dollars in interest and potential damage to a student's credit. Successful debt management and repayment plans of loans include:

- Organize all student loan paperwork in an easily accessible file.
- Estimate the monthly student loan payment by using a repayment calculator.
- Choose a repayment plan that is affordable and may be paid off in the shortest time possible.
- Prepare a monthly budget that includes the student loan payment.
- Ask the lender about establishing automatic loan payment deductions from a bank account to ensure on-time payments.
- Limit the amount of other types of debt, especially credit card debt.

### Office of the Ombudsman

If the student cannot resolve a dispute and has contacted the school, lender, and guarantor, the U.S. Department of Education, Federal Student Aid (FSA) Ombudsman may be contacted to serve as a neutral party to work with the student and all agencies involved to resolve student loan disputes. The Ombudsman may be contacted at:

U.S. Department of Education  
FSA Ombudsman  
Fourth Floor  
830 First Street, Northeast  
Washington, DC 20202-5144  
(877) 557-2575