

Entrance Interview Requirement

Any student who decides to apply for a Federal Student Loan is required to complete an online Entrance Interview. This process will explain the student's rights, responsibilities, repayment options, and borrowing details associated with being a student loan recipient. The link to the Department of Education's online Entrance Counseling can be found on the University's Financial Aid webpage.

Borrower Responsibilities

When a student borrows money under the Federal Direct Loan Program, he/she becomes a partner with the federal government. The government makes money available to pay for education, and the student agrees to pay back the loan amount on time and with interest. The student's responsibilities include:

- » Completing all application forms truthfully and accurately.
- » Reading, understanding and keeping copies of all forms.
- » Providing additional documentation or information as requested.
- » Notifying the loan servicer of anything that affects ability to repay the loan.
- » Informing the loan servicer of a change in name, address or social security number.
- » Informing the loan servicer of graduation, dropping out of school, transferring to a different school, or dropping below a half-time enrollment status as defined by the school.
- » Knowing who is servicing the loan on government's behalf.

Borrower Rights

When the student takes out a loan, he/she signs a promissory note. A copy of the completed note will be available to the student, and the original note must be returned when the loan is paid in full. A list of deferment conditions must be provided. Before the repayment period begins, the servicer must give the student a loan repayment schedule and must inform the student of:

- » The amount of the student's total debt (principle and interest), what the interest rate is and the total interest charges on the loan.
- » Where to send payments and where to write in case of questions.
- » The due date of first payment and the number, frequency and amount of all payments.
- » Expected fees during the repayment period.
- » Prepayment, refinancing and consolidation options.

If the student is willing but unable to meet the repayment schedule and is not eligible for a deferment, a forbearance may be requested. Forbearance may permit the student to stop payments temporarily, allow an extension of time for making payments or make smaller payments than were originally scheduled. The lender is not obligated to grant forbearance or a delay in repayment. Interest will continue to accrue during a forbearance.

With a subsidized Federal Direct Student Loan, the student has a right to federal interest benefits. This means that the federal government will pay the interest on the loan until the repayment period begins. It will also pay the interest during authorized deferment periods. The student must arrange with the lender to pay the interest on all Unsubsidized Federal Direct Student Loans.

If the lender sells or transfers the right to receive payment on a Federal Stafford Loan, the student must be notified. The student has the right to an honest and complete answer to any question about Federal Direct or PLUS Loans and should not hesitate to ask for information.