WHAT YOU NEED TO KNOW
AS A FEDERAL STUDENT LOAN BORROWER

You MUST complete an Exit Counseling Session
-Go to www.studentloans.gov
-Click on “Exit Counseling”. You will need your FAFSA 4 digit PIN and 2 references and their information

Your Rights and Responsibilities
-You must repay your loans
-Know your lender(s)
-If your contact and/or any other information changes, inform your lender
-Please be sure to open and read all your mail
-Know your payment date and when you enter repayment
-You may request deferment/forbearance options if you are experiencing financial difficulty
-There is no pre-payment penalty for satisfying your repayment obligation
-You will be notified if your loan is sold

Repayment Options
-There is a 6 month grace period and a 10 year repayment term (unless otherwise requested)
-Upon request, you may be eligible under different options that lower your monthly payment
(Assk and know about various reduction options when you enter repayment such as electronic payment interest rate reduction)
-Standard: same amount every month for the next 10 years (least expensive over the life of the loan)
-Graduated: lower payments in the first few years with higher payments later
-Income sensitive: payments rise/fall on an annual basis based on your estimated income
-Extended: available if your federal loans exceed $30,000 (can be increased up to 25 years)
-Loan consolidation: please refer to www.loanconsolidation.ed.gov
-Please be aware the longer the term, the more you will end up paying!

Deferment and Forbearance
-Deferment: allows you to postpone principal and/or interest payment due to in-school status, fellowship, graduate/professional school, etc. (student must be enrolled at least 6 credits)
-Forbearance: allows you to postpone payments for a pre-determined period of time due to unemployment, economic hardship, etc. Be aware interest does accrue and the interest is capitalized at repayment
-You must apply for these options! Contact your lender directly for assistance
-Please be aware the longer the term, the more you will end up paying!

Delinquency and Default
-Generally, if you’re more than 30 days late, you are delinquent with the national credit bureaus. More than 270 days past due on a payment, you become in default.
-There are serious consequences to being in default, including adverse effects on personal credit, being forced to pay the whole amount immediately, having tax refunds withheld, becoming ineligible for future financial aid, etc.

✔ Bottom line it is VERY IMPORTANT to pay on time!

✔ For a complete list of your loans and lenders please refer to www.nslds.ed.gov (You will need your FAFSA PIN number to access the information.) or call 1-800-4-FED-AID

✔ For information on federal loan consolidation please refer to www.loanconsolidation.ed.gov or call 1-800-557-7392. Be sure to examine all benefits from all lenders before making this decision.

✔ The Department of Education’s SFA Ombudsman’s Office is available if you are not receiving the proper assistance from your lender or servicer, please refer to http://ombudsman.ed.gov or call 1-877-557-2575

Congratulations and Good Luck!