EXIT COUNSELING DOCUMENTATION

Regulations require that all students who have received (either directly to you or credited to your school account) any portion of Federal loan funds and withdraw, graduate, or drop below half-time attendance (regardless if you plan to transfer to another school), complete an exit counseling session for your Federal Stafford Loan (subsidized or unsubsidized) and Direct Subsidized and Unsubsidized Loans. The counseling session provides information about how to manage your student loans after college.

Please take a few minutes to log in http://www.nslds.ed.gov/nslds_SA/SaEcWelcome.do and complete this required counseling.

Please log into the enrollment portal or contact your financial planning/financial aid office to update your references in your profile. Please also ensure the contact information you have on file is current.

Going forward you may receive information from several sources and it may seem overwhelming. The most important point is that your payments on your federal student loans will begin soon. Please contact the Loan Management Department at **877-634-5404**, if you find you are struggling to make your payments or have any questions. This is a FREE service!

EXIT COUNSELING ADDITIONAL DOCUMENTATION

THIS NOTICE IS IMPORTANT. KEEP THIS FOR YOUR RECORDS.

Exit Counseling:

- Is required before you withdraw, graduate, or drop below half-time attendance
- Helps you understand your rights and responsibilities as a student loan borrower
- Provides useful tips and information to help you manage your loans

Federal student loans are borrowed money that must be repaid, with interest, just like car loans and home mortgages. You cannot have these loans canceled because you didn't like the education you received, didn't get a job in your field of study or because you're having financial difficulty. The Master Promissory Note (MPN) is a binding legal document that you signed before receiving your student loans and by which you agreed to repay your loan(s). You may have received more than one loan under this MPN as it covers a period of up to 10 years to pay for your educational costs, as long as your school was authorized to use the multi-year feature of the MPN and chose to do so. If your school was not authorized to use the multi-year feature of the MPN or chose not to do so, or if you did not want to receive more than one loan under the MPN, you must have signed a new MPN for each loan you received. The MPN also contains a Borrower's Rights and Responsibilities statement that explains the terms and conditions of the loans you received. It is very important to read and save this document because you'll need to refer to it later when you begin repaying your loan.

Loans are a legal obligation that you'll have to repay.

To find out the total amount of loans you have received please login to: **www.nslds.ed.gov**

This document is provided to all students before they graduate or when they withdraw, or cease to be enrolled at least half-time (four (4) credit hours):

- Types of Federal Student Loans
- Entering Repayment
- Repaying Your Loan
- Having Trouble Making Payments
- Discharge/Forgiveness
- Debt Management Strategies
- Resources

Types of Federal Student Loans

- Direct Subsidized Loans and Subsidized Federal Stafford Loans (subsidized loans) are for undergraduate, graduate, and professional degree students. You must have financial need to qualify for a subsidized loan. The federal government pays the interest on subsidized loans while you are enrolled at least half-time.
- Direct Unsubsidized Loans and Unsubsidized Federal Stafford Loans (unsubsidized loans) are also for undergraduate, graduate, and professional degree students. You are not required to have financial need to qualify for an unsubsidized loan. You are responsible for paying the interest on unsubsidized loans during all periods, starting from the date the loan is first disbursed.
- Direct PLUS Loans and Federal PLUS Loans (PLUS loans) are for graduate or professional degree students, and also for parents of dependent undergraduate students (this counseling session covers only PLUS loans for graduate or professional degree students). You are responsible for paying the interest on PLUS loans during all periods, starting from the date the loan is first disbursed.
- Direct Consolidation Loans and Federal Consolidation Loans (consolidation loans) allow student and parent borrowers to combine multiple federal education loans into one loan with one monthly payment.

  Please visit http://www.direct.ed.gov/calc.html for more information on Federal Student Loan Interest rates.

Entering Repayment

When you graduate, withdraw from school, or drop below half-time enrollment status you will have six months before your first payment is due on your subsidized and unsubsidized loans. This is called a Grace Period. (PLUS Loans don't have a grace period). This time can allow you to get financially settled, select your repayment plan and determine the amount of income you need to put toward your student loan each month.

If you have subsidized loans and/or unsubsidized loans, you will be responsible for the interest that accrues during the grace period. You may pay this interest as it accrues during the grace period, or you may allow it to accrue and be capitalized (added to the principal balance of your loan) when your loan enters repayment.

Your repayment period begins the day after your grace period ends. Your first payment will be due within 45 days after your repayment period begins.

As explained above, PLUS loans do not have a grace period. The repayment period for a PLUS loan begins on the day after the final loan disbursement is made. However, you may defer repayment of a PLUS loan while you are enrolled in school on at least at half-time basis and, for PLUS loans with a first disbursement date on or after July 1, 2008, for an additional six months after you graduate, withdraw, or drop below half-time enrollment status. Your first payment will be due within 45 days after your deferment ends.

If you received some PLUS loans that were first disbursed before July 1, 2008, and others that were first disbursed on or after that date, the additional 6-month deferment period after you leave school or drop below half-time status is available only for your PLUS loans that were first disbursed on or after July 1, 2008. If you are unable to begin making payments on your PLUS loans that do not qualify for the additional 6-month deferment period after you leave school or drop below half-time status, contact your loan holder or loan servicer to discuss options for postponing repayment on these loans until the 6-month additional deferment period ends on your PLUS loans that were first disbursed on or after July 1, 2008.

Prepayment:

- You may prepay all or part of your loan(s) at any time without a penalty. You also have the option of requesting a shorter repayment schedule.
- After you have begun repaying your loans, any extra amount you pay in addition to your regular required monthly payment will reduce your outstanding principal balance, as long as accrued interest and any outstanding late charges are paid.

Repayment Plans

When it comes time to start repaying your student loan(s), you can select a repayment plan that's right for your financial situation. Generally, you'll have from 10 to 25 years to repay your loan, depending on which repayment plan you choose. The repayment plan options are generally the same in the Direct Loan and FFEL programs, except that the income Contingent

Repayment plan is available only in the Direct Loan Program, and the income Sensitive Repayment plan is available only in the FFEL program.

- **Standard Repayment Plan**: You generally pay a fixed amount each month for up to 10 years. Your payment must be at least $50 a month.
- **Graduated Repayment Plan**: Your payments start out low at first and then will increase, usually every two years. You must repay your loan in full within 10 years. At a minimum, your payments must cover the interest that accumulates on your loans between payments. This plan is tailored to individuals with relatively low current incomes (e.g., recent college graduates) who expect their incomes to increase in the future. However, you'll ultimately pay more for your loan than you would under the Standard Plan, because more interest accumulates in the early years of the plan when your outstanding loan balance is higher and your monthly payment is smaller.
- **Extended Repayment Plan**: If you're a FFEL borrower, to qualify for this plan you must have had no outstanding balance on a FFEL Program loan as of October 7, 1998, or on the date you obtained a FFEL Program loan after October 7, 1998, and you must have more than $30,000 in outstanding FFEL Program loans. If you're a Direct Loan borrower, you must have had no outstanding balance on a Direct Loan Program loan as of October 7, 1998, or on the date you obtained a Direct Loan Program loan after October 7, 1998, and you must have more than $30,000 in outstanding Direct Loans. This means, for example, that if you have $35,000 in outstanding FFEL Program loans and $10,000 in outstanding Direct Loans, you can choose the extended repayment plan for your FFEL Program loans, but not for your Direct Loans.
  Under this plan you must repay your loans in full within 25 years. You may choose to make fixed or graduated monthly payments. Your monthly payment amount will be lower than it would be under the Standard Plan, but you'll ultimately pay more for your loan because of the interest that accumulates during the longer repayment period
- **Income-Based Repayment (IBR)**: Under IBR, the required monthly payment is capped at an amount that is intended to be affordable based on your income and family size. You are eligible for IBR if the monthly repayment amount under IBR will be less than the monthly amount calculated under a 10-year standard repayment plan. If you repay under the IBR plan for 25 years and meet other requirements, you may have any remaining balance of your loan(s) cancelled. Additionally, if you work in public service and have reduced loan payments through IBR, the remaining balance after ten years in a public service job could be cancelled. You may your loan holder or loan servicer, or visit www.studentaid.ed.gov for more detailed information about the Income-Based Repayment Plan.
- **Income-Sensitive Repayment Plan (for FFEL Program loans only)**: With an income-sensitive plan, your monthly loan payment is based on your annual income. As your income increases or decreases, so do your payments. The maximum repayment period is 10 years. Contact your loan holder or loan servicer for more information about this repayment plan.
- **Income-Contingent Repayment Plan (for Direct Subsidized and Unsubsidized Loans and Direct PLUS Loans for Graduate and Professional Students):** Your monthly payments will be based on your annual income (and that of your spouse, if married), your family size, and the total amount of your Direct Loans. Borrowers have 25 years to repay under this plan, the unpaid portion will be forgiven. However, you may have to pay income tax on the amount that is forgiven.
  Direct Subsidized Loans, Direct Unsubsidized Loans and Direct PLUS Loans for graduate and professional student PLUS borrowers may be repaid under the income-contingent repayment (ICR) plan. Direct PLUS Loans for parent borrowers may not be repaid under ICR.

You may want to switch repayment plans later if a different plan would work better for your current financial situation, Under the FFEL Program, you can change repayment plans once a year. Under the Direct Loan Program, you can change plans any time as long as the maximum repayment period under your new plan is longer than the time you direct Loans have already been in repayment. If you want to change repayment plans, contact your loan holder or loan servicer.

Repayment Plans

Estimated Monthly Payments for Direct Loan Program and FFEL Program Loans

Non-Consolidation Borrowers [1]

Debt When Loan Enters Repayment	Standard		Extended Fixed		Extended Graduated		Graduated	
	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
$5,000	$58	$6,904	N/A	N/A	N/A	N/A	$40	$7,275
10,000	115	13,809	N/A	N/A	N/A	N/A	79	14,550
25,000	288	34,524	N/A	N/A	N/A	N/A	198	36,375
50,000	575	69,048	347	104,109	284	112,678	396	72,749
100,000	1,151	138,096	694	208,217	568	225,344	792	145,498

Debt When Loan Enters Repayment	Income Contingent [2] Income = $25,000				Income-Based [2] Income = $25,000			
	Single		Married/HOH [3]		Single		Married/HOH [3]	
	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
$5,000	$37	$8,347	$36	$11,088	N/A	N/A	$39	$8,005
10,000	75	16,699	71	22,158	110	13,672	39	16,081
25,000	186	41,748	178	55,440	110	45,014	39	60,754
50,000	247	93,322	189	122,083	110	109,623	39	92,704
100,000	247	187,553	189	170,153	110	118,058	39	97,020

1. Payments are calculated using a fixed interest rate of 6.8% for Direct Subsidized and Unsubsidized Loans disbursed on or after July 1, 2006.
2. Assumes a 5 percent annual income growth (Census Bureau).
3. HOH is Head of Household. Assumes a family size of two.

Having Trouble Making Your Payments

Under certain circumstances you can receive a deferment or forbearance that allows you to temporarily postpone making loan repayments. Except for periods of economic hardship deferment under the Income-Based Repayment Plan, periods of deferment or forbearance do not count toward the maximum length of time you have to repay your loans.

Deferments

A deferment is a period in which repayment of the principal balance is temporarily postponed if you meet certain requirements. During a deferment, the government pays the interest on subsidized loans.

For all unsubsidized loans and PLUS loans, you are responsible for paying the interest that accrues during the deferment period. You may pay the interest as it accrues during the deferment period, or allow it to be capitalized (added to the principal balance).

Deferment Conditions

- Enrolled at least half-time at an eligible postsecondary school (an eligible school is one that is approved to participate in the Department's federal student aid programs)
- Study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled
- Unable to find full-time employment (for up to three years)
- Economic hardship (includes Peace Corps Service) (for up to three years)
- A member of the National Guard or other reserve component of the U.S. Armed forces (current or retired) who is called or ordered to active duty while enrolled at least half-time at an eligible school, or within six months of having been enrolled at least half-time. (eligible for a deferment during the 13 months following the conclusion of the active duty service, or until the borrower returns to enrolled student status on at least a half-time basis, whichever is earlier)
- While borrower is on active duty during a war or other military operation or national emergency and if the borrower was serving on or after Oct. 1, 2007 (eligible for a deferment for an additional 180-day period following the demobilization date for the qualifying service)

If you received a FFEL Program loan before July 1, 1993, additional deferment options may be available. Contact your loan holder or loan servicer for more information.

If you do not meet the requirements for a deferment, you may still be eligible for a forbearance.

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 or loan servicer.

You've made a commitment to yourself and your future. Be a responsible borrower -- you don't want to default on your student loan. Default is the failure to repay your loan according to the terms of the promissory note, provided that the failure persists for at least 270 days.

Loan default has serious consequences:

- Your entire loan balance (principal and interest) will be due in full immediately.
- Your college records may be placed on hold.
- You'll lose eligibility for loan deferment.
- You won't be eligible for additional federal student aid.
- Your account may be turned over to a collection agency and you'll have to pay additional charges, late fees and collection costs, all of which become part of your debt.
- Your credit rating will be damaged for several years because defaulted loans are reported to national credit bureaus.
- You'll have difficulty qualifying for credit cards, a car loan, a mortgage, or renting an apartment (credit checks are required to rent an apartment).
- Your federal and state income tax refunds can be withheld and applied to student loan debt. This is called a tax offset.
- You may have a portion of your wages garnished (withheld).
- You may not be able to obtain a professional license or get hired by an employer that performs credit checks.

Having Trouble Making Your Payments

A consolidation loan may help make payments more manageable by combining several federal student loans into one loan with one monthly payment. You need to apply for loan consolidation and choose a standard, an extended, a graduated, an income-contingent (for Direct Consolidation Loans), an income-sensitive (for FFEL Consolidation Loans), or an income-based repayment plan. Depending on the amount of your debt, standard and graduated repayment plans have 10- to 30-year repayment periods.

The interest rate for both Direct and FFEL Consolidation Loans is a fixed rate for the life of the loan. The fixed rate is based on the weighted average of the interest rates on all of the loans you consolidate, rounded up to the nearest one-eighth of 1 percent. However, the interest rate will never exceed 8.25 percent.

How can consolidation help me manage my debt?
Loan consolidation can offer you benefits to help manage your education debt. You can:

- Make lower monthly payments by increasing the repayment period (However, this will increase the total amount you repay over the life of your loan).
- Make a single monthly loan payment on one bill to one lender.

As with other loan types, you may prepay a consolidation loan without penalty and may change repayment plans if you find that your current plan no longer meets your needs.

Is there a downside to consolidation?
Although consolidation can help many students manage their monthly payments, there are some cases when consolidation may not be right for you.

- You may lose certain benefits (such as cancellation benefits, interest subsidies, etc.) that were offered on the loans being consolidated. Borrower benefit programs may vary among different consolidation lenders.
- If you are close to paying off your student loans, it may not make sense to consolidate. By extending the years of repayment for your loans, you may be increasing the total amount you have to pay in interest.
- Discuss your options with the financial aid office at your school.

Discharge/Forgiveness

Loan Discharge

You are generally obligated to repay your student loan(s), even if you do not complete your program of study, do not complete the program within the normal timeframe for completing it, are unable to obtain employment after you complete your program, or are otherwise dissatisfied with or do not receive the educational or other services that you purchased from the school. However, there are a few situations in which your loan may be discharged and your repayment obligation cancelled or forgiven.

- You die.
- You become totally and permanently disabled and meet certain additional requirements.
- Your loan is discharged in bankruptcy. (Federal student loans are not automatically discharged in bankruptcy. You must prove to the bankruptcy court that repaying the loan would cause undue hardship.)
- You are unable to complete your program of study due to the closing of your school.
- Your school falsely certified your loan eligibility.
- A loan in your name was falsely certified as a result of a crime of identity theft.
- Your school failed to refund required loan funds to your lender on your behalf.

Loan Forgiveness Programs

A portion of any student loan(s) you received under the Direct Loan or FFEL program after October 1, 1998 may be forgiven under the Teacher Loan Forgiveness Program. To qualify, you must teach full time for five consecutive years in certain low-income elementary and/or secondary schools or low-income educational service agency and meet certain other qualifications.

In addition, you must not have had an outstanding balance on a Direct Loan or FFEL Program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

A Public Service Loan Forgiveness Program is also available and will forgive or cancel the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed in certain public service jobs. You may consolidate your FFEL Program loans into the Direct Loan Program to take advantage of the Public Service Loan Forgiveness Program.

Debt Management Strategies

Money Management Tips:

Money management is just as important after you leave school as when you were attending. But your income will now come from work earnings rather than from student aid and you'll probably have some different expenses when you start your new job. The following tips will help you manage your money so that you can meet your household expenses and keep making on-time loan payments. In the process, you will be establishing a good credit rating, which is a key to your financial independence.

- **Develop a budget that includes items like rent, car payments, utility bills, food, clothing, insurance, and entertainment, so you have an accurate picture of your monthly expenses (in addition to your loan payments). You may use the budget outline on the next page as an example.** It's easy to underestimate or overlook some of these expenses, so you may want to round each of your estimated costs up. If your income is less than your expenses, you'll need to find ways to cut your expenses. If you find you just can't make the loan payments, contact your loan holder or loan servicer to discuss options that may help, such as changing repayment plans, or deferment or forbearance.
- **As a borrower, know your student loan rights and responsibilities.** Make sure to apply for a deferment if you're going back to school or are eligible for unemployment or economic hardship deferment. Keep your loan holder or loan servicer informed of your address, phone number and other information, and contact your servicer if you're having trouble making payments. Keep your loan paperwork in a safe place, including your promissory note, disclosure notices and billing statements. Remember, talk to your servicer when you have questions or concerns.
- **Make the most of your grace period.** Each of your Subsidized and Unsubsidized Loans has a 6-month grace period, and you don't have to start making payments until it ends. There is no grace period for PLUS Loans, but you may defer repayment on PLUS Loans that were first disbursed on or after July 1, 2008 for an additional six months after you graduate, withdraw from school, or drop below half-time enrollment status. Your grace period is an excellent time to get your finances in order. If you are working, you can use the grace period to get a head start on repaying your loans. By making some payments during the grace period, you can reduce the interest costs for your loan. These payments don't have to be set monthly amounts—you can choose to prepay some of your loan or just to pay the interest that is charged on any of your loans that are unsubsidized.

Resources

- The most important thing to remember is that 6 months from the date you left school; your payments on your federal student loans will begin.
- If you have questions please contact Federal Student Aid @ 1-800-433-3243

Additional resources that you may find helpful.

Resource	Web Address
Direct Consolidation Loans	www.loanconsolidation.ed.gov
PIN Site	www.pin.ed.gov
TEACH Grant recipients	https://teach-ats.ed.gov
Public Service Loan Forgiveness	www.studentaid.ed.gov
Income Based Repayment	www.studentaid.ed.gov
NSLDS	www.nslds.ed.gov
FSA Ombudsman	www.ombudsman.ed.gov

Help with Resolving a Problem or Dispute

It is important to keep all of your student loan papers and correspondence for your records. If you have a problem with a federal student loan, you should contact your loan holder or loan servicer to try and resolve the problem. If you are unable to resolve the problem on your own, you may contact the Federal Student Aid (FSA) Ombudsman for assistance. The FSA Ombudsman works with federal student loan borrowers to resolve loan disputes or problems from an impartial, independent viewpoint. You can reach FSA Ombudsman at:

Office of the Ombudsman
United States Department of Education
830 First Street NE
4th Floor UCP-3/MS 5144
Washington, DC 20201-5144
Toll-free phone: (877) 557-2575
Internet: fsahelp.ed.gov or ombudsman.ed.gov

Tax Benefits for Education

There is a variety of tax credits, deductions and savings plans available to taxpayers to assist with the expense of higher education.

- A tax credit reduces the amount of income tax you may have to pay.
    - American Opportunity Credit
    - Hope Tax Credit
    - Lifetime Learning Tax Credit
- A deduction reduces the amount of your income that is subject to tax, thus generally reducing the amount of tax you may have to pay.
    - College Tuition & Fees Deduction
    - Student Loan Interest Deduction

You should contact a tax advisor or visit www.irs.gov for detailed information on tax credits, deductions or other tax benefits for postsecondary students.