

THE ANNUAL DISCLOSURE FOR INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS.

Financial Aid Disclosures

Each school must make available to prospective and enrolled students information regarding how and where to contact individuals designated to assist enrolled or prospective students in obtaining the institutional or financial aid information

Financial Aid school contact: Laura Todd 804-908-3223

Each school must make available to prospective and enrolled students information about:

- All the need-based and non-need-based federal, state, local, private and institutional student financial assistance programs available to students who enroll at the school
- Terms and conditions of the Title IV, HEA loans (see below)
- Criteria for selecting recipients and for determining award amount (see EFC & COA)
- Eligibility requirements and procedures for applying for aid (see FAFSA.gov)
- Methods and frequency of disbursements of aid (see below)
- Rights and responsibilities of students receiving Title IV, HEA student Financial Aid, including criteria for continued student eligibility and standards for Satisfactory Academic Progress (see below)
- Terms of any loan received as part of financial aid package, sample loan repayment schedule, and the necessity for repaying loans (see below)

Aid Available to those who qualify: **Pell Grants, Stafford Loans, PLUS loan (for parents of students under 24)**

Understanding your financial aid award.

-Financial aid is awarded to students based on merit, financial need or both.

-Merit-based scholarships are awarded based on academic achievement, particular skills or special characteristics.

-Need-based aid is given to students who demonstrate financial need, based on [Free Application for Federal Student Aid \(FAFSA\)](#) results. There are three kinds of need-based aid:

- Grants and scholarships are gifts that do not have to be repaid.
- Federal Work Study funding is money you earn by working at a part-time job.
- Loans are borrowed money that must repaid over a period of time.

Rights and Responsibilities

As a student you have the right to:

- know what financial assistance is available to you, including all federal, state, and institutional financial aid programs.
- know the deadlines for submitting applications for applicable financial aid programs and the process required.
- know how your financial need is determined, including how cost of attendance budgets are developed.
- know what resources are considered in the calculation of your financial need, and how much of your need as determined has been met.
- an explanation of the types of aid contained in your financial aid award as well as how to retain eligibility for those funds (if applicable).

- request a review of your current financial situation if you meet certain criteria based on changes since filing the current aid year FAFSA application.
- know what portion of your aid package is grant or gift aid, and what portion must be repaid. In addition, you have the right to know interest rates, total amount to be repaid, procedures for repayment, when repayment begins, and how long you have to repay the loan.
- know the criteria for continued financial aid eligibility, including guidelines for the determination of Satisfactory Academic Progress as defined by the Department of Education.
- know the method and frequency of financial aid disbursements.

Please see your award letter and ask the financial aid department any questions you may have.

Additional Information see:

Understanding Your Financial Aid Award

Direct Loan Terms & Conditions

Direct Loan Exit Counseling

Loan Repayment Information

As a student you have the responsibility to:

- be aware of your ability to pay any institutional charges based on your available financial aid and personal resources.
- review and understand the terms and conditions of your financial aid award.
- complete all requirements accurately, in a timely manner, and by the appropriate deadlines.
- inform us if you intend to enroll less than full time for any given term so that your aid can be properly adjusted and disbursed.
- inform us of any outside scholarships, assistantships, or additional resources that you receive.
- fill out the FAFSA application completely and accurately. If selected for verification you will provide all requested documents in a timely manner, and ensure that all submitted materials are complete and accurate. Falsification of information on application forms for federal financial assistance is considered a criminal offense, and you may be subject to penalties under the U.S. Criminal Code.
- read and understand all forms that you are asked to submit or sign, realizing that you are legally responsible for all agreements that you sign.
- know and comply with all policies and procedures of the school
- manage your financial aid experience.

How funds are applied

All financial aid funds, are applied directly to your account. The account includes educational fees and related charges.

Requirements

In order for your financial aid funds to be applied to your account, you must have: (see below)

- Met enrollment requirements for your aid
- Completed all verification documents if you were selected

- Completed all loan promissory notes
- Completed the loan entrance counseling if you are a first-time student borrower

Apply To All

Financial aid will automatically apply toward current tuition, required fees. As a service and convenience to students, the school can apply any excess federal financial aid to other current charges (such as school related charges, etc...). You may choose this as an option through your initial enrollment paperwork by signing your application of aid form. This will happen after you accept or decline your financial aid awards. If this service is declined, the student is still responsible for outstanding charges. In accordance with federal regulations, financial aid will not pay outstanding charges from a prior academic year.

Excess funds

If your financial aid exceeds your school charges, the balance is paid to you by check within 14 days or returned to the department if the student chooses.

Enrollment requirements

Financial aid awards are based on the assumption of full-time enrollment in a degree-seeking program every semester. To be eligible for aid, students must meet minimum enrollment requirements. Enrollment is verified each payment period prior to disbursement of funds. A change of enrollment status could result in a revision of the financial aid package.

Esthetics & Master Esthetics students

- Full-time enrollment: 25 hours per week

Course Repeats and Financial Aid Eligibility

According to federal legislation, effective July 1, 2011, repeat classes may only count towards financial aid eligibility if (a) the course was previously failed or (b) the course was previously passed only once. This means a student who fails a class may repeat a class and have it count as credit toward the determination of enrollment status for financial aid purposes but a student who has already passed a class may only repeat the class once more (i.e., to receive a better grade) and have these credits count toward financial aid eligibility. The Financial Aid Office does not determine if you may repeat a class, only whether you may be eligible for financial aid for a repeat class.

Verification

Forms & Documentation for Verification

- Contact the school for forms needed for verification.

Each year, the federal government requires schools participating in the distribution of financial aid to verify the accuracy of data submitted on the [Free Application for Federal Student Aid \(FAFSA\)](#).

To complete verification, applicants are asked to submit federal tax documents and/or complete some forms and submit them to the Office of Student Financial Aid.

Your financial aid funds cannot be applied to your account until verification has been completed. Return the requested documents WITH IN 7 DAYS OF REQUEST.

Who is selected

Any student who completes a FAFSA may be chosen for verification.

Timeline and deadline

Please allow two weeks for the verification process to be completed. The process might take longer if we receive incomplete documents or require additional information. Sometimes, we require clarification on forms you submit, which could also delay processing if you do not respond in a timely manner.

Your financial aid funds cannot be applied to your account until verification has been completed. Return the requested documents WITH IN 7 DAYS OF REQUEST.

Documents

Some applicants will be required to submit copies of IRS Tax Return Transcripts and W-2s. This is a requirement from the U.S. Department of Education to guarantee the accuracy of the information reported on the FAFSA to ensure federal aid is awarded properly.

To obtain a copy of your IRS Tax Return Transcript you can call the IRS at 1-800-908-9946. You can either request that the IRS send the transcript directly to the school or have it mailed to your home. For instructions on how to request a Tax Return Transcript online or how to request a Tax Return Transcript by mail, go to: <http://www.irs.gov/transcript>. If you filed your return electronically, you should be able to request a copy within 2-3 weeks. If you filed a paper return, you should be able to request a copy within 8-10 weeks.

Applicants required to submit IRS federal tax information have the option of logging back into their FAFSA and using the IRS Data Retrieval Tool. This will fulfill the IRS federal tax information request. However, not all applicants can use the IRS Data Retrieval Tool. If any of the following apply to the applicant, then he/she cannot use the IRS Data Retrieval Tool and will have to submit an IRS Tax Return Transcript to the Office of Student Financial Aid.

- Parents with all zeros for SSN
- Any student or parent with a marital status date of January 1, 2014 or later
- Any student or parent who indicates they have not already filed a tax return or will not file a tax return
- A married independent applicant and spouse who filed separate returns
- Parents of a dependent student who filed separate tax returns
- The applicant, parent, or spouse, as applicable, who have filed an amended return

If you use the IRS Data Retrieval Tool and alter the data, you will be required to submit a copy of the IRS Tax Return Transcript.

After the initial verification document request has been met, the Office of Student Financial Aid will compare the information provided on the FAFSA and might ask for additional information if we find discrepancies that cannot be explained.

Processing

The Office of Student Financial Aid will correct any inaccuracies and resubmit your FAFSA to the Central Processing System (CPS). CPS will then send you an updated Student Aid Report (SAR). If you have received a financial aid package before completing verification, your aid eligibility will be reevaluated by your financial aid adviser after verification has been completed. You will be notified if your awards change after verification.

Promissory Notes

Students are required to complete all promissory notes:

<https://studentloans.gov/myDirectLoan/index.action>

NSLDS

If a student or parent have a Title IV HEA loan, the loan will be submitted to the National Student Loan Database System and will be accessible by guaranty agencies, lenders and schools to determine to be authorized users of the system.

Loan Entrance and Exit Counseling

Students are required to complete all entrance and exit counseling:

<https://studentloans.gov/myDirectLoan/index.action>

The school keeps documentation it has provided exit counseling to the student via written or electronic material.

Definition of need

Financial need is the difference between the cost of attendance (COA) and the expected family contribution (EFC). Usually the cost of attendance (COA) refers to the total amount of education expenses (tuition, books and supplies, room and board, personal expenses, transportation expenses, etc.).

The EFC is the number used to determine your eligibility for federal, state and institutional need-based aid programs. This number results from the financial information provided in your [Free Application for Federal Student Aid \(FAFSA\)](#).

Cost of attendance

Investing in higher education is a major financial decision, and many students need to look beyond their own resources for assistance. At the Office of Student Financial Aid, our goal is to help students and their families secure the resources necessary to fund education. We can help you calculate the cost of your education. We'll point you to resources to help you plan for higher-education costs. You can also use our net price calculator.

Expected Family Contribution

The Expected Family Contribution (EFC) is a number schools use to evaluate your eligibility to receive federal, state and institutional financial aid.

Before you can get an EFC, you must complete and submit the [Free Application for Federal Student Aid \(FAFSA\)](#). Once your FAFSA has been processed, you will receive your official EFC number. The financial aid office uses the EFC to determine financial need, which is defined as the difference between the cost of attendance and your EFC.

If a student is enrolled, the EFC will be given on their award letter. Any aid amounts change will be given in an award letter.

How the EFC is calculated:

- Based on a formula established by the federal government
- Takes into account factors such as family income, assets, household size and the number of family members attending college

How the EFC is used:

- Determines eligibility for federal financial aid, such as Pell Grants, federal loans and federal Work Study programs
- Used by institutions and the state to determine a student's eligibility for other aid programs

The EFC is *not*:

- The amount of money your family will have to pay for college
- The amount of student aid you will receive

Financial planning for college

Hey, parents!

Planning for college? Wondering how you'll pay for it? Get facts and tips from government agencies, nonprofit organizations and news media resources.

- [College.gov](#)
The U.S. Department of Education's go-to site about planning, preparing and paying for postsecondary education.
- [Smart Money: College Planning](#)
The latest news on education and finances.
- [U.S. News & World Report: Paying for College](#)
Financial aid news, savings-plan tips, a recession guide and rankings of the best values in education.
- [CNN Money: College](#)
CNN's wellspring of tips, trends, news and calculators related to funding an education.
- [New York Times: Paying for College](#)
Commentary, news, charts and blogs from *New York Times* contributors.
- [College Savings Plans Network](#)
National Association of State Treasurers-affiliated guide to 529 savings plans.
- [MSN Money: Saving for College](#)
The basics, the latest and some fast answers about saving for higher education.
- [Student Aid on the Web](#)
Loan information, a FAFSA guide and a glossary of financial-aid terms from Federal Student Aid, an office of the U.S. Department of Education.

Special circumstances & Economic hardship

On a case-by-case basis, a financial aid adviser may review family changes after the FAFSA has been submitted with the previous year's information. If a major change occurs in your financial situation, you may submit an appeal for our office to review your situation. Examples include a change in income, a change in marital status or major medical expenses.

Submit the Special Circumstances Form (contact FA office) with accompanying documentation. Include your name and ID number on all documents. Submission of documentation does not guarantee a change will be made. Appeals are reviewed by a committee process and are handled on a case-by-case basis, with the judgment of the administrator serving as the final decision. Requests may also be denied for other reasons such as excessive requests, or excessive student loan debt.

Basic Financial Aid Information Need-based and non-need based Federal Programs

TYPES OF FEDERAL AID

Options that may be available to you.

- Pell Grants
- Stafford Loans
- PLUS loan (for parents of students under 24)
- NO SCHOOL PAYMENT PLANS ARE OFFERED. All checks must be certified checks.

The loans and grant programs are offered by the U.S. Department of Education to those who qualify. The school does not currently offer any scholarships.

How students apply for Federal Student Aid and how eligibility is determined
Financial Aid using the Free Application for Federal Student Aid (FAFSA) on the web:
<http://www.fafsa.ed.gov/>

A student's financial aid package may include a Federal Pell Grant and Federal Stafford Direct Loan. You should use FAFSA4caster to learn more about the financial aid process and get an early estimate of your eligibility for federal student aid. You can access the FAFSA4caster at:
<http://www.fafsa4caster.ed.gov/F4CApp/index/index.jsf>

High school seniors in the last semester of school must fill out a FAFSA to determine their eligibility for financial aid. This will give them an estimate of their eligibility and may need to be verified if chosen by DOE.

Why should a student consider using the FAFSA4caster?

1. The Site will help students understand Federal Student financial aid.
2. It will assist students in determining how they can apply for Federal student aid and who qualifies?
3. It allows students to get an early start on the financial aid process by learning the basics.

How the school distributes aid among students

Most Federal Financial Aid is awarded on the basis of financial need. Need is the difference between your cost of education (educational expenses such as tuition, room board, books, supplies and other expenses) and the amount you and your family are expected to contribute toward your education.

A standard formula is used for all applicants to determine this amount, which is called the expected family contribution (EFC). If there is anything left over after subtracting the expected family contribution from your cost of education you are then considered to have financial need.

It is the student's responsibility to:

- Review and consider all the information about the school's program before enrolling.
- Pay special attention to the application process for Federal student financial aid, complete it accurately, and submit it on time to the right place. Errors on the FAFSA can delay or prevent your receiving aid timely
- Know and comply with all deadlines for applying and reapplying for aid.
- Provide all enrollment and verification documentations, corrections, and/or new information requested by either the financial aid officer or the agency to which you submitted the application.
- Notify the school of any information that has changed since you applied.
- Read, understand, and keep copies of all forms you were asked to sign.
- Ensuring you are aware that you must start making monthly repayment on your student loan after your grace period ends, unless you have a deferment or forbearance. When you sign your master promissory note (MPN), you are agreeing to repay your loan.
- Attend an exit interview at the time you leave the school to determine the net balance of your account with the school as well as the net balance of any student loan or ask for this information to be sent in writing.
- Notify the school of a change in your name, address, phone number, or attendance status (full/part-time student). If you have student loans, you must notify your lender of these changes.
- Understand your school's refund policy.
- Understand and comply with the enrollment status, financial charges, financial terms, time allowed to complete, refund policy and termination procedures as specified in the enrollment contract you will be asked to sign.
- Understand that you may be responsible and have liability for portions of Title IV funds returned by the institution on your behalf.
- Understand that there could be liabilities when errors are made as a result of inconsistent information provided by the student that results in funds being awarded that a student was not eligible for that were advanced to you or credited to your school account.

How and when will financial aid be disbursed?

Financial Aid and Title IV funds will be disbursed at 0, 300 hours for Basic Esthetics & Master Esthetics. Students must meet these clock hour requirements in order to be eligible for Title IV funding disbursement. Each student

will be evaluated on an individual basis to determine eligibility based on total cumulative hours and weeks in each payment period. Students who are subject to SULA may have disbursements at 150 hours.

The terms and conditions of any employment that is part of the financial aid package

The school does not have Title IV work study programs.

The terms of, the schedule for, and the necessity of loan repayment and required loan exit counseling.

The formula for determining the amount of loans is:

(Cost of Attendance) – Minus (EFC) – Minus (estimated financial assistance)

= (Need for subsidized Stafford)

An unsubsidized loan can replace the EFC.

Application for Loan:

To receive a Stafford Direct Loan, a student must complete a Free Application for Federal Student Aid and a Master Promissory Note. (MPN)

In the traditional paper process, the MPN might be completed at the school by the student and submitted to the lender or school. In other cases the school certifies the loan based on the student's acceptance of the aid package, and the lender or the school's servicer sends the MPN to the student for signature. Regardless of how this is done, the Borrowers' Rights and Responsibilities Statement must be provided to the borrower with the MPN.

Required borrower information on the MPN:

The MPN contains identifying information including name, permanent address, a date of birth, social security number, driver's license number, and two personal non-student adult references with U.S. addresses. The borrower must read, sign and date the MPN.

Adverse Credit History of Borrowers of Plus (Loan)

The parent may not have adverse credit to borrow a PLUS. This is defined in the regulations as the applicant being 90 days or more delinquent on a debt or having been subject in the last five years to a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment or write off of an FSA debt. The absence of any credit history is not considered adverse credit. Lenders may establish more restrictive credit standards for determining adverse credit. If the parent borrower has an adverse credit history the applicant has the option of receiving a PLUS using a creditworthy endorser. If an endorser is used a separate Endorser Addendum is required for each PLUS loan. If an endorser is involved a new MPN must be used. The endorser is only liable for the specific loan or loans he/she has agreed to endorse.

School Certifies/Originates the Loan:

The school's primary responsibilities in the loan application process are to ensure the completeness and accuracy of the MPN based on information it has available.

A separate PLUS MPN is required for each dependent student or if both parents want to borrow individually on behalf of the student.

Additional Unsub Direct Stafford:

Dependent students whose parents are unable to borrow PLUS loans due to adverse credit or other exceptional circumstances may receive additional unsubsidized amounts at the same level as independent undergrad students. The amounts are limited.

Guidelines for determining student's eligibility:

- Parent's unwillingness to borrow a PLUS does not make the dependent student eligible
- The aid administrators belief that a parent should not borrow a PLUS does not make the student eligible
- Only one parent must apply for a PLUS and be denied based on adverse credit history. However if both parents apply independently and one is approved and one denied, the student is not eligible for increased loan amounts.
- The parents denied of PLUS based on adverse credit in one year does not support the dependent's eligibility in subsequent years.
- The dependent student may become eligible at any time during an academic year if the parent has been approved and later denied.
- The dependent student may be eligible for increased unsubsidized loan amounts if you determine and document that other exceptional circumstances exist that will prevent a student from borrowing:
 - The parent is incarcerated and therefore ineligible
 - Parent's whereabouts are unknown
 - Parents income limited to Public Assistance or disability and you have evidence that the lender that makes loans to students and parents at the school has denied a PLUS loan or will not make a PLUS loan to a parent under its lending policy due to the parent's existing debt burden, income to debt ratio, likely inability to repay or other credit standards.

Scheduling Disbursements:

Disbursements will be established with the lender. This is the date that the funds are disbursed to the student. In keeping with the three day turnaround time for payment of FSA funds to the student. For Stafford Direct Loans the school may request the Stafford Direct funds may be provided on the thirty first day of classes for the first payment period for a first year, first time Stafford Direct Loan borrower

Exit Counseling

All students who are graduating or withdrawing from school must receive exit counseling. Counseling will be provided in writing and students will be directed to online counseling via the Department of Ed. As with entrance counseling, exit counseling is offered on the Web by guarantors and lenders. Student borrowers should be advised to complete online exit counseling or come to the counseling session at the school shortly before graduating, or ceasing at least half-time enrollment. Financial Aid Staff are reasonably available to answer questions from student borrowers. One of the borrowers' obligations is to participate in an exit counseling session. Some of the same material presented at the entrance counseling session will in the exit counseling. The emphasis shifts to more specific information about loan repayment and debt-management strategies.

The following information will be provided as part of exit counseling (may be given electronic format):

1. Exit counseling emphasizes the seriousness and importance of the repayment obligation.
 2. The lender sends payment coupons or billing statements as a convenience for the borrowers. Not receiving them does not relieve the borrower of his or her obligation to make payments.
 3. Many lenders encourage borrowers to set up electronic debiting of bank accounts to repay their loans.
- The regulations require that exit counseling describes the likely consequences of default, including adverse credit reports, and litigation. Students will be informed of the charges that might be imposed for delinquency or default, such as lenders or guarantor's collection expenses (including attorney's fees). Defaulters often find that repayment schedules for loans that have been accelerated are more stringent than the original repayment

schedule. A defaulter is no longer eligible for any deferment provisions, even if he or she would otherwise qualify. The defaulter's federal and state tax refunds may be seized and wages garnished, and the borrower loses eligibility or any further funding from the FSA programs. The student will receive an explanation of the use of the Master Promissory Note. The student will be advised to read carefully the MPN and the Borrowers Rights and responsibilities statement again.

Emphasis will be given that repayment is required, regardless of educational outcome or subsequent employability. The student borrower will be informed that they are obligated to repay the full loan even if they did not finish the program, cannot obtain a job after graduation, or is dissatisfied with the school's educational program or other services. Sample monthly repayment accounts will be provided. The borrower will be given an estimate of the average anticipated monthly payments based on their indebtedness (or the average indebtedness of Stafford borrowers at our school or in the same program). The borrower will receive a sample loan repayment schedule based on their total indebtedness. A loan repayment schedule will usually provide more information than just the expected monthly payment. For instance, it would show the varying monthly amounts expected in a graduated repayment plan.

The lending organization is not required to send the repayment schedule to the student until the grace period. Repayment options will be reviewed with the student. The counseling will review the payment options, such as the standard, extended, graduated and income-contingent income sensitive plans. The option of consolidating loans will also be discussed. Consolidation loans are available through the Federal Direct Student Loan Program.

Debt Management Strategies will be discussed. It is important to develop a realistic budget, based on the student's minimum salary requirements. It is helpful to have the student's budget reflect the loan payment as a fixed cost, like rent and utilities.

The terms and conditions under which students receiving federal education loans may obtain deferments

The following lists of deferments are available to students who have federal student loans.

Deferment Definitions

- Action Programs Deferment Borrowers may postpone payments with this deferment type while serving full-time in the Action Programs for at least one year.
- Armed Forces Deferment This deferment type may be used to postpone payments for a borrower serving in the military on active duty status.
- Dependent Student Enrolled at Least Half-time Deferment Borrowers may postpone payments on a PLUS loan when the dependent student for whose education the loan was disbursed is enrolled at least half-time at an eligible school.
- Dependent Student Enrolled Full-time Deferment Borrowers may postpone payments on a PLUS loan when the dependent student for whose education the loan was disbursed is enrolled full-time at an eligible school.
- Dependent Student in a Full-time Rehabilitation Training Program Deferment Borrowers may postpone payments on a PLUS loan when the dependent student for whose education the loan was disbursed is engaged in a full-time rehabilitation training program.
- Economic Hardship Deferment This deferment postpones payments for a borrower during times of financial difficulty where the borrower receives public assistance, serves in the Peace Corps, receives the deferment on a Direct or Perkins loan, or meets specific income criteria.
- Full-time Student Deferment Any borrower who is certified by an eligible school as enrolled on a full-time basis may receive this deferment.
- Graduate Fellowship Deferment This deferment type postpones payments for borrowers engaged in a full-time course of study in a Graduate Fellowship program.
- Internship/Residency Deferment This deferment type postpones payments for a borrower engaged in an Internship/Residency program.

- Less than Full-time but at Least Half-time Student In order to qualify for this deferment, an eligible school must certify that the borrower is enrolled at least half-time.
- National Oceanic and Atmospheric Administration (NOAA) Deferment Borrowers serving in the National Oceanic and Atmospheric Administration (NOAA) on active duty status may use this deferment type to postpone payments.
- Parental Leave Deferment This deferment type may postpone payments for a pregnant borrower or one caring for a newborn child or a newly adopted child.
- Peace Corps Deferment Borrowers may postpone payments with this deferment type while serving in the Peace Corps for at least one year.
- Public Health Service Deferment This deferment type postpones payments for borrowers serving full-time as an officer in the Commissioned Corps of the Public Health Service.
- Rehabilitation Training Deferment This deferment type is available for borrowers engaged in a full-time rehabilitation training program.
- Tax-exempt Organization Deferment This deferment type may postpone payments for full-time paid volunteers in a tax-exempt organization.
- Teacher Shortage Area Deferment This deferment type is available to borrowers when teaching in a designated teacher shortage area.
- Temporary Total Disability Deferment This deferment type may postpone payments for a borrower with a condition that prevents them from working or going to school, or who is caring for a disabled person.
- Unemployment Deferment
 - This deferment type postpones payments for borrowers who are seeking full-time employment through registry with an employment agency or are receiving unemployment benefits.
 - Working Mother Deferment
 - This deferment type may postpone payments for mothers who recently re-entered the workforce.

The student will be informed of the Availability of Loan Information on NSLDS and the availability of the FSA Ombudsman's Office. The borrower's loan history can be reviewed on NSLDS (PIN required for access). Students without Internet access can identify their loan holder by calling 1-800-4-fed-aid. The borrower will be made aware that the information on the NSLDS site is updated by lenders and guarantors and may not be as current as the latest information from the loan holder. The Ombudsman's office is a resource for borrowers when other approaches to resolving student loan problems have failed. Normally the bank and/or guarantor can help with any problem.

Review the Student's Rights and Responsibilities: The student received this with the MPN at the beginning of the loan process and it should be reviewed again at the exit interview. The importance of keeping loan records will be reinforced with the student. The borrower should keep the loan repayment schedule provided by the lender when repayment begins as well as records of loan payments—including cancelled checks, money order receipts. The student should keep copies of any requests for deferment or forbearance, or any other correspondence with the loan holder.

The School will collect and update personal and contact information: During exit counseling, the aid office will obtain the borrower's expected permanent address after leaving school, the address of the borrower's next of kin, and the name and address of the borrower's expected employer (if known). A school will correct its records to reflect any changes in the borrower's name, address, Social Security Number, or references and will obtain the borrower's current driver's license number and state of issue. Within 60 days after the exit interview, the financial aid office will provide this information to the loan vendor.

The student will also be provided with the current name and address of the borrower's lender (or Federal Vendor), based on the latest information. An explanation will be given of how to complete deferment forms and how to prepare correspondence to the lender or vendor will also be included. Emphasis will be made that the borrower should always keep copies of all correspondence from and to them about their loans. It will be stressed that a borrower must make payments on their loans even if the borrower does not receive a payment booklet or a

billing notice.

If the student borrower drops out without notifying the school, we will confirm that the student has either completed online counseling, or exit counseling material will be mailed to the borrower at their last known address. The material must be mailed within 30 days of learning that a borrower has withdrawn or failed to participate in an exit counseling session. When we mail these exit materials, we are not required to use certified mail with a return receipt requested, but we must document in the student's file that the materials were sent. If the student fails to return the Exit Counseling material including the contact information, we are not required to take any further action.

Grace Period: Once the student withdraws, leaves school or graduates on the subsidized loans there is a grace period of six months. During this time no interest accrues on the subsidized loan. On an unsubsidized loan the interest is paid during the loan period but the principal is not paid until after the grace period. The borrower has a choice of paying the interest or having it capitalized – adding the accrued interest to the original loan principal. PLUS loan repayment begins sixty days after the second disbursement and interest begins at that point.

Repayment on all loans is up to ten years with a minimum repayment of \$50.00 per month.

Loan Repayment Examples and Calculations

Loans accumulate over the years you attend school. Once you have an idea of the total amount of federal student loans you may be taking, you can estimate your monthly payment amounts.

- **Payback Smarter**
- **Repayment Plans & Calculators**

Loan Repayment Examples

Below are samples of an undergraduate student who borrow the maximum loan amounts over five years. The monthly payments are estimates. A servicer, contracted by the Department of Education, will notify borrowers when their monthly payments are due and will advise them of the exact amount.

Undergraduate student

An undergraduate student completes a degree in four years and borrows the maximum per year.

Subsidized or unsubsidized Direct Loan – \$3500

Unsubsidized Direct Loan - \$2000

Total borrowed = \$5500

Subsidized or unsubsidized Direct Loan - \$4500

Unsubsidized Direct Loan - \$2000

Total borrowed = \$6500

Subsidized or unsubsidized Direct Loan - \$5500

Unsubsidized Direct Loan - \$2000

Total borrowed = \$7500

Subsidized or unsubsidized Direct Loan - \$5500

Unsubsidized Direct Loan - \$2000

Total borrowed = \$7500

Total borrowed = \$27,000

Calculator results:

Interest Rate: 6.8 %

Loan amount: \$27,000

Repayment Plan Term (in months)
Initial Monthly Payments
Total Payments (Interest + Principal)

Standard

120

\$ 310.72

\$ 37,286.40

Extended - *This payment plan is only available for amounts greater than \$30,000.*

Graduate (see note below)

120

\$ 213.35

\$ 39,300.01

Note: This an estimated monthly repayment amount for the first two years of the term and total loan payment. The monthly repayment amount will generally increase every two years based on the graduation factor in the graduated repayment rules.

[William D. Ford Federal Direct Loan Program Direct Subsidized Loan and Direct Unsubsidized Loan Borrower's Rights and Responsibilities Statement](#)

[Addendum to the Direct Subsidized Loan/Direct Unsubsidized Loan Master Promissory Note William D. Ford Federal Direct Loan Program](#)