

- repaying his/her loan according to the repayment schedule even if the he/she does not complete his/her academic program, is dissatisfied with the education received, or is unable to find employment after graduation;
- notifying his/her lender or loan servicer if he/she
 - moves or changes addresses,
 - changes telephone numbers,
 - changes names,
 - changes Social Security numbers, or
 - changes employers or his/her employer’s address or telephone number changes,
 - is making monthly payments on his/her loan after the grace period ends, unless a deferment or forbearance has been granted; and
- notifying his/her lender or loan servicer of anything that might alter his/her eligibility for an existing deferment or forbearance.

A borrower should thoroughly read the information, including rights and responsibilities, included as part of the Master Promissory Note.

DIRECT STAFFORD AND PLUS LOAN TERMS AND CONDITIONS

In addition to the information presented earlier, a borrower should be familiar with all the terms and conditions of his/her federal student loans. Review all of the information included with the MPN.

Aggregate Loan Limits: The maximum aggregate debt for an undergraduate student is \$31,000 for dependent students and \$57,500 for independent students. The aggregate limit is the total of both Subsidized and Unsubsidized Stafford Loans. No more than \$23,000 of the aggregate limit can be Subsidized Stafford Loans.

Origination Fee: A Direct Loan borrower must pay an Origination Fee to the lender to make an educational loan. The amount of the fee varies annually. For current fees, contact the Financial Aid Office or go to www.studentaid.gov.

Interest Rate: Interest is money paid to the lender in exchange for borrowing money. Interest is calculated as a percentage of the unpaid principal amount (loan amount) borrowed. The interest rate changes annually and varies depending on the loan type and the first disbursement date of the loan. For current interest rates, contact the Financial Aid Office or go to www.studentaid.gov.

Grace Period: The grace period is a set period of time after a student graduates, leaves school, or drops below half-time enrollment before he/she must begin repayment on the loan. The grace period gives a student time to get financially settled and to select a repayment plan.

- Direct Subsidized and Unsubsidized Stafford Loans have a six-month grace period before payments are due.
- PLUS loans have no grace period. They enter repayment once they are fully disbursed but may be eligible for a deferment. Repayment: The amount and number of monthly payments depends on
 - the type of loan a borrower receives,
 - how much money is borrowed,
 - the interest rate on the loan, and
 - the repayment plan the borrower chooses.

Non-Consolidation Borrowers:

Debt When Loan Enters Repayment	Standard		Extended Fixed		Extended Graduated		Graduated	
	<u>Per Month</u>	<u>Total</u>	<u>Per Month</u>	<u>Total</u>	<u>Per Month</u>	<u>Total</u>	<u>Per Month</u>	<u>Total</u>
\$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

For information on repayment options, debt management strategies, deferments, forbearance, consolidation and cancellation options as well as for complete loan terms, contact the Financial Aid Office or go to www.studentaid.gov.

LOAN ENTRANCE AND EXIT COUNSELING

A student borrowing a Direct Stafford Loan for the first time at time DEC is required to complete loan counseling before the loan is disbursed. All Stafford borrowers are required to complete loan exit counseling upon graduation, withdrawal, or dropping below halftime enrollment. Online Entrance and Exit Counseling must be completed online at www.studentloans.gov.

Borrowers are also encouraged to complete Financial Awareness Counseling also available on www.studentloans.gov.

Entrance counseling for Direct Subsidized and Unsubsidized loan borrowers must:

- i. Explain the use of a master promissory note (MPN);
- ii. Emphasize to the borrower the seriousness and importance of the repayment obligation the student borrower is assuming;
- iii. Describe the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation;
- iv. Emphasize that the student borrower is obligated to repay the full amount of the loan even if the student borrower does not complete the program, does not complete the program within the regular time for program completion, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services that the student borrower purchased from the school;
- v. Inform the student borrower of sample monthly repayment amounts based on—
 - (A) A range of student levels of indebtedness of Direct Subsidized Loan and Direct Unsubsidized Loan borrowers or student borrowers with Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans, depending on the types of loans the borrower has obtained; or
 - (B) The average indebtedness of other borrowers in the same program at the same school as the borrower;
- vi. To the extent practicable, explain the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance;
- vii. Provide information on how interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the U.S. Department of Education;
- viii. Inform the borrower of the option to pay the interest on a Direct Unsubsidized Loan while the borrower is in school;
- ix. Explain the definition of half-time enrollment at the school, during regular terms and summer school, if applicable, and the consequences of not maintaining half-time enrollment;
- x. Explain the importance of contacting the appropriate offices at the school if the borrower withdraws prior to completing the borrower's program of study so that the school can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation;
- xi. Provide information on the National Student Loan Data System (NSLDS) and how the borrower can access the borrower's records;
- xii. Provide the name of and contact information for the individual the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan; and
- xiii. For first-time borrowers, explain the limitation on eligibility for Direct Subsidized Loans and possible borrower responsibility for accruing interest, including-
 - (A) The possible loss of eligibility for additional Direct Subsidized Loans;
 - (B) How a borrower's maximum eligibility period, remaining eligibility period, and subsidized usage period are calculated;
 - (C) The possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans and the portion of a Direct Consolidation Loan that repaid a Direct Subsidized Loan during in-school status, the grace period, authorized periods of deferment, and certain periods under the Income-Based Repayment and Pay As You Earn Repayment plans; and
 - (D) The impact of borrower responsibility for accruing interest on the borrower's total debt.

Exit counseling must:

- i. Inform the student borrower of the average anticipated monthly repayment amount based on the student borrower's indebtedness or on the average indebtedness of student borrowers who have obtained Direct Subsidized Loans and Direct Unsubsidized Loans, student borrowers who have obtained only Direct PLUS Loans, or student borrowers who have obtained Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans, depending on the types of loans the student borrower has obtained, for attendance at the same school or in the same program of study at the same school;
- ii. Review for the student borrower available repayment plan options, including the standard repayment, extended repayment, graduated repayment, income contingent repayment plans, and income-based repayment plans, including a description of the different features of each plan and sample information showing the average anticipated monthly payments, and the difference in interest paid and total payments under each plan;
- iii. Explain to the borrower the options to prepay each loan, to pay each loan on a shorter schedule, and to change repayment plans;
- iv. Provide information on the effects of loan consolidation including, at a minimum—
 - (A) The effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;
 - (B) The effects of consolidation on a borrower's underlying loan benefits, including grace periods, loan forgiveness, cancellation, and deferment opportunities;
 - (C) The options of the borrower to prepay the loan and to change repayment plans; and
 - (D) That borrower benefit programs may vary among different lenders;
- v. Include debt management strategies that are designed to facilitate repayment;
- vi. Explain to the student borrower how to contact the party servicing the student borrower's Direct Loans;
- vii. Meet the requirements described in paragraphs (a)(6)(i), (a)(6)(ii), and (a)(6)(iv) of this section [see entrance counseling requirements (i), (ii), and in the first column of the previous page];
- viii. Describe the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation;
- ix. Provide-
 - (A) A general description of the terms and conditions under which a borrower may obtain full or partial forgiveness or discharge of principal and interest, defer repayment of principal or interest, or be granted forbearance on a Title IV loan; and

- (B) A copy, either in print or by electronic means, of the information the U.S. Department of Education makes available pursuant to section 485(d) of the HEA;*
- x. Review for the student borrower information on the availability of the Department's Student Loan Ombudsman's office;
- xi. Inform the student borrower of the availability of Title IV loan information in the National Student Loan Data System (NSLDS) and how NSLDS can be used to obtain Title IV loan status information;
- xii. Explain to first-time borrowers—
 - (A) How the borrower's maximum eligibility period, remaining eligibility period, and subsidized usage period are determined;
 - (B) The sum of the borrower's subsidized usage periods at the time of the exit counseling;
 - (C) The consequences of continued borrowing or enrollment, including--
 - i. The possible loss of eligibility for additional Direct Subsidized Loans; and
 - ii. The possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans and the portion of a Direct Consolidation Loan that repaid a Direct Subsidized Loan during in-school status, the grace period, authorized periods of deferment, and certain periods under the Income-Based Repayment and Pay As You Earn Repayment plans;
 - (D) The impact of the borrower becoming responsible for accruing interest on total student debt;
 - (E) That the U.S. Department of Education will inform the student borrower of whether he or she is responsible for accruing interest on his or her Direct Subsidized Loans; and
 - (F) That the borrower can access NSLDS to determine whether he or she is responsible for accruing interest on any Direct Subsidized Loans;
- xiii. A general description of the types of tax benefits that may be available to borrowers; and
- xiv. Require the student borrower to provide current information concerning name, address, Social Security number, references, and driver's license number and state of issuance, as well as the student borrower's expected permanent address, the address of the student borrower's next of kin, and the name and address of the student borrower's expected employer (if known).

FEDERAL STUDENT AID OMBUDSMAN

The Federal Student Aid Ombudsman Group of the U.S. Department of Education is dedicated to helping resolve disputes related to Direct Loans, Federal Family Education Loan (FFEL) Program loans, Guaranteed Student Loans, and Perkins Loans. The Ombudsman Group is a neutral, informal, and confidential resource to help resolve disputes about your federal student loans. Borrowers should make every attempt to resolve the loan dispute before contacting the Federal Student Aid Ombudsman Group.

Contact information

Mail:	U.S. Department of Education FSA Ombudsman Group P.O. Box 1843 Monticello, KY 42633
Telephone:	1-877-557-2575 (Toll Free)
Fax:	606-396-4821
Online:	www.ombudsman.ed.gov
Email:	fsaombudsmanoffice@ed.gov

VETERANS EDUCATION BENEFITS

Funding is provided by the federal government and is available to Veterans, Service Members, and in certain cases their dependents. Veterans Funding includes the Post 9/11 GI Bill (including Yellow Ribbon), Montgomery GI Bill, Reserve Educational Assistance Program (REAP), Veterans Educational Assistance Program (VEAP), Survivors and Dependents Educational Assistance Program, Educational Assistance Pilot Program, and the National Call to Service Program. Funding is subject to eligibility requirements. Please visit www.benefits.va.gov/gibill/education_programs for additional information.

STATE STUDENT ASSISTANCE PROGRAM

In addition to the Federal Student Aid Programs, DEC participates in the following Pennsylvania State Student Assistance Programs. PHEAA GRANT (PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY GRANT)

- The PA State Grant Program provides grants to eligible Pennsylvania residents who are in need of financial assistance to attend PHEAA approved postsecondary schools as undergraduate students.
- The PHEAA Grant is gift aid and does not need to be repaid.
- The maximum and minimum award amounts change annually and are effective for the award year from July 1st of one year to June 30th of the following year.
- The award amount is calculated using the EFC (Expected Family Contribution), cost of attendance and enrollment status, i.e., the number of credits in each payment period.
- A student must have financial need as defined by PHEAA.
- A student must not have received the maximum number of Pennsylvania State Grants permitted.

PA-TIP (PENNSYLVANIA TARGETED INDUSTRY PROGRAM)

- The PA-TIP program is available to eligible Pennsylvania residents;
- The school must be approved by PHEAA to offer PA-TIP approved programs.