

**EDUCATION LOAN PROGRAM  
STUDENT EXIT INFORMATION VERIFICATION**

IF YOU HAVE DECIDED NOT TO COMPLETE THE EXIT COUNSELING SESSION ONLINE, THEN THIS FORM MUST BE COMPLETED AND RETURNED TO NASSAU COMMUNITY COLLEGE AT THE FOLLOWING ADDRESS WITHIN 10 DAYS OF THE DATE OF THE COVER LETTER:

Nassau Community College  
Office of Financial Aid  
One Education Drive  
Garden City, NY 11530

Anticipated completion date or actual completion date of your program: \_\_\_\_\_

NAME (LAST) \_\_\_\_\_ (FIRST) \_\_\_\_\_ (M.I.) \_\_\_\_\_

DRIVERS LIC.NUM \_\_\_\_\_ (STATE) \_\_\_\_\_ (SSN) \_\_\_\_\_

<p>EXPECTED PERMANENT ADDRESS:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>TELEPHONE- (    ) _____</p> <p>Email: _____</p>	<p>NAME/ADDRESS OF NEXT OF KIN:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>TELEPHONE- (    ) _____</p> <p>Email: _____</p>
<p>REFERENCE- A (NEAREST LIVING ADULT RELATIVE):</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>TELEPHONE- (    ) _____</p> <p>Email: _____</p>	<p>REFERENCE- B (NEAREST LIVING ADULT NOT RESIDING WITH REFERENCE):</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>TELEPHONE- (    ) _____</p> <p>Email: _____</p>

**ANTICIPATED NAME AND ADDRESS OF EMPLOYMENT:**

\_\_\_\_\_ **TELEPHONE:** \_\_\_\_\_

<p>I have received exit counseling materials for Direct Loan borrowers. I have read and understand my rights and responsibilities as a borrower. I understand that I have a loan from the federal government that must be repaid. I verify that the above information is correct and that the information provided by me on the Federal Loan Application is valid.</p>	
<p>STUDENT SIGNATURE _____</p>	<p>DATE _____</p>

**NASSAU COMMUNITY COLLEGE  
STUDENT FINANCIAL SERVICES  
FEDERAL LOAN EXIT INTERVIEW FACT SHEET**

**All students who have borrowed a Federal student loan are required by law to complete an Exit Counseling Session; it is sometimes referred to as an “Exit Interview”. This requirement comes into effect at the point of graduation or if the student leaves school, or if the student falls below half-time enrollment; even if the student plans to transfer to another school. This process helps students to understand their rights and responsibilities with regard to their loan repayment.**

Some of the points explained in this Exit process are:

- Student received a student loan under a promissory note, a binding legal documents that list the conditions under which the loan was borrowed and the terms under which the borrower agrees to repay the loan.
- A loan, unlike a grant is borrowed money that must be repaid.
- The loan must be repaid even if the student did not complete their educational program or did not complete the program within the regular completion time for their program or obtain employment after graduation.
- A federal student loan can be repaid in whole or in part at any time without penalty.
- Student loan account balance and status information is reported to national credit bureaus on a regular basis therefore failing to repay the loan can damage ones credit rating.
- The consequences of defaulting on a federal student loan are severe and long lasting.

### **Loan Repayment**

Students who borrow under the FFEL or Direct Loan programs have a choice of repayment plans. The Department Of Education’s publication Funding Education Beyond High School: The Guide to Federal Student Aid explains the various options available.

### **When does Loan repayment begin?**

- **Direct of FFEL Stafford Loans-** repayment begins after the six-month grace period.
- **Subsidized Loan-** during the grace period, students do not have to pay any principal, and they are not charged interest.
- **Unsubsidized loan-** students do not have to pay any principal, but they will be charged interest. Remember, you can either pay the interest during this period or it will be capitalized (i.e. added to principal loan balance).
- **Plus loans-** Generally within 60 days after the loans have fully paid out to borrower. There is no grace period for these loans so interest starts to accrue as soon as the first disbursement is made. A student receiving a Grad Plus is eligible for an in school deferment as long as they are enrolled at least half time.

The student’s lender or servicer will send them information about repayment, and they will be notified of the date repayment begins. Please keep in mind that it is ultimately the borrower’s responsibility to begin loan repayment on time, even if they do not receive this information from their loan provider. Failing to make timely payments can lead to Default.

### **How often are payments made and to whom are they paid?**

Direct or FFEL Stafford Loan borrowers tend to make monthly payments. Your repayment amount will depend on:

- the size of your debt
- the length of your repayment period, and
- the repayment plan you choose

**Direct Stafford Loan-** Payments made through the Direct Loan Servicing Center. Direct Loan borrowers can view and pay their bills online using their PIN at: [www.myedaccount.com](http://www.myedaccount.com).

**FFEL Stafford Loan-** Students make payments directly to their private lender or loan servicer.

### **How long does repayment last?**

Direct and FFEL Stafford Loan repayment period can vary from 10 to 25 years.

### **What are the repayment options?**

When it comes time to repay, students can pick a repayment plan that is best suited to their financial situation. The following repayment plans will be available to Direct and FFEL Stafford Loan borrowers who start repaying their loans on or after July 1, 2006:

- A standard plan with a fixed annual repayment amount paid over a fixed period of time not to exceed 10 years.
- A graduated plan paid over a fixed period of time not to exceed 10 years. With this plan, your payments start with a relatively low amount and then increase, generally every two years. For FFEL, the borrower must have more than \$30,000 in outstanding FFEL loans.

- An extended plan (for new borrowers on or after October 7, 1998, with more than \$30,000 in outstanding Direct Loan debt accumulated on or after that date) with a fixed annual or graduated repayment amount to be paid over a period not to exceed 25 years. For FFEL loans, the borrower must have more than \$30,000 in outstanding loans.
- A plan that bases the monthly payment amount on how much money you make, how much you owe and your family size. For Direct Stafford Loans, this plan is called the Income Contingent Repayment Plan (Direct PLUS Loans may not be repaid under the Income-Contingent Repayment Plan). For FFEL Stafford Loans and FFEL PLUS Loans, this plan is called the Income-Sensitive Repayment Plan. The terms under Income Contingent and Income-Sensitive Repayments Plan vary. Visit [www.dl.ed.gov](http://www.dl.ed.gov) for more information for Direct Loan Income Contingent Repayment Plans or your lender for more information on FFEL Income-Sensitive Repayment Plans.
- For Direct Loans, the U.S. Department of Education may offer alternative repayment plans to borrower who demonstrates that other available repayment plans are not adequate and cannot accommodate the borrower's exceptional circumstances.
- Students who do not choose a repayment plan will automatically be placed under the standard repayment plan.

## Making Payments

When you make your payments on time, you may qualify for certain repayment benefits—and you are taking steps toward building a solid credit history. If you can't make your payments—don't just ignore your loan debt—it won't go away. There are many ways to get help, including changing your payment due date, changing your repayment plan, and deferment or forbearance.

## Examples of Typical Direct and FFEL Stafford Loan Repayments

These examples are provided by the Department of Education and can be found at [www.studentaid.ed.gov](http://www.studentaid.ed.gov) and they also provide a repayment calculator at [www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov). The results in the chart assume that the student is making regular monthly payments on any unsubsidized loans and is not capitalizing the interest while in school. If the interest is capitalized, (added to the outstanding principal balance) the cumulative payments and total interest charges will be higher than shown in the chart.

### Examples of Typical Direct and FFEL Stafford Loan Repayments

Estimated Monthly Payments and Total Amounts Repaid Under Different Repayment Plans

Initial Debt When You Enter Repayment	For Direct Loans Only: Income Contingent <sup>c</sup> (Income = \$25,000)									
	Standard <i>Not to exceed 10 years</i>		Extended <sup>a</sup>		Graduated <sup>b</sup> <i>Not to exceed 10 years</i>		Single		Married/HOH <sup>d</sup>	
	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid
\$3,500	\$50	\$4,471	Not Available	Not Available	\$25	\$5,157	\$27	\$6,092	\$25	\$6,405
\$5,000	\$58	\$6,905	Not Available	Not Available	\$40	\$7,278	\$38	\$8,703	\$36	\$9,150
\$7,500	\$83	\$10,357	Not Available	Not Available	\$59	\$10,919	\$57	\$13,055	\$54	\$13,725
\$10,500	\$121	\$14,500	Not Available	Not Available	\$83	\$15,283	\$80	\$18,277	\$76	\$19,215
\$15,000	\$173	\$20,714	Not Available	Not Available	\$119	\$21,834	\$114	\$26,110	\$108	\$27,451
\$40,000	\$460	\$55,239	\$227	\$83,289	\$316	\$58,229	\$253	\$72,717	\$197	\$84,352

Payments are calculated using the fixed interest rate of 6.8 percent for student borrowers for loans made on or after July 1, 2008.

<sup>a</sup>This repayment plan is available to borrowers who have no outstanding balance on a Direct Loan as of Oct 7, 1998, or who have obtained a Direct Loan after Oct 7, 1998, and have an outstanding balance on Direct Loans that exceeds \$30,000. The amounts were rounded to the nearest dollar and were calculated based on a 25-year repayment plan.

<sup>b</sup>This is 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 this plan.

<sup>c</sup>Assumes a 5 percent annual growth (Census Bureau) and amounts were calculated using the formula requirements in effect during 2008.

<sup>d</sup>HOH is Head of Household. Assumes a family size of two.

### **What if I (the student) have a problem making payments?**

Students who are having problems repaying their student loans should contact their loan servicer immediately. In certain cases students can qualify for a deferment, forbearance or other forms of payment relief. For FFEL Loans, contact the lender or agency that holds your loan. For Direct Loans, contact the Direct Loan Servicing Center at [www.myedaccount.com](http://www.myedaccount.com) or by calling 1-800-848-0979. The Department of Education provides extensive information on repayment relief at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

Types of repayment relief:

- Deferment- a temporary suspension of loan payments based on specific situations like: re-enrollment in school, unemployment or economic hardship. In order to avoid default student must to continue to make payments until the deferment has been granted.
- Military Service Department- Under CCRAA Eligible borrowers may now receive a deferment on all outstanding FFEL, Direct Loan and Federal Perkins Loan programs in repayment on October 1, 2007, for all periods of active duty service that include that date or begin on or after that date.
- Active Duty Student Deferment- The College Cost of Reduction and Access Act (CCRAA), enacted on Sept.27, 2007, created a new deferment in the FFEL, Direct Loan, and Federal Perkins Loan programs for members of the National Guard or Armed Forces Reserve, and members of the Armed Forces who are in a retired status, who are called or ordered to active duty service. Effective October 1, 2007, these borrowers may receive a deferment on repayment of their title IV loans for up to 13-months following their completion of active duty military service if they were enrolled in a post secondary institution at the time of, within six months prior to, their activation. The deferment period for these borrowers expires at the earlier of a borrower's re-enrollment in school or the end of the 13-month period.

### **What is Default and how does it affect a borrower?**

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. The consequences of default include:

- Notification to National credit bureaus which will harm borrowers credit rating which in turn will make it hard to buy a car or house in the future
- Borrower ineligible for additional federal aid
- State and federal income tax refunds can be withheld and applied toward the amount owed.
- Wages can be garnished for loan payments
- Late fees and collection cost added to amount owed
- Borrower can be sued

Default should be avoided. The Department of Education has a publication called the [Guide for Defaulted Borrowers](#) available at [www.ed.gov](http://www.ed.gov).

### **Where can a borrower go to get their loan information?**

The U.S. Department of Education's National Student Loan Data System (NSLDS) provides borrowers access to information on all student loans and/or federal grant amounts, including information on loan status, outstanding balances, and disbursements. Go to [www.nsls.ed.gov](http://www.nsls.ed.gov).

### **Are there any tax benefits available for student loan borrowers?**

Yes. Tax benefits are available for certain higher education expenses, including a deduction for student loan interest for certain borrowers. This benefit applies to all loans used to pay for a postsecondary education costs, including PLUS Loans. The maximum deduction is \$2,500 a year. Internal Revenue Service (IRS) Publication 970, Tax Benefits for Higher Education, explains these credits and other tax benefits. You can get more information online at [www.irs.gov](http://www.irs.gov).

### **Loan Consolidation**

The Higher Education Act (HEA) provides for a loan consolidation program under both the Federal Family Education Loan (FFEL) Programs and the Direct Loan Program. Consolidation enables you to combine federal education loans into one loan. This allows you to make one loan payment instead of several and in some cases it may result in a lower monthly payment. The interest rate may be lower than on one or more of the underlying loans. In addition, the amount of time to repay may be extended beyond what was available in the separate loan payments.

### **FFEL Consolidation vs. Direct Consolidation**

Borrowers are encouraged to check with their existing loan holders or servicers to find out about consolidation options available to them. Some differences between programs may include:

- Minimum balances or numbers of loans required to apply
- Types of loans that can be consolidated
- A prior account relationship may be required
- Repayment incentive benefits to encourage good repayment behavior

- The convenience of electronic debit, ensuring that monthly payments are made on time.
- Repayment plans offered, such as payments sensitive to a borrower's income, family size, and total education indebtedness

### **Prepayment of Consolidated Loans**

According to [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov), borrowers may prepay all or part of the unpaid balance on any Direct Loan at any time, without an early repayment penalty. If a borrower makes a payment that exceeds the required monthly payment, the prepayment will be applied first to any charges or collections costs, then to outstanding interest, and last to principal. However, if a borrower's account has no outstanding interest, the repayment is applied entirely to principal. If the prepayment is twice the borrower's monthly payment, the next payment due date is advanced unless the borrower specifies otherwise. The borrower will be notified of a revised due date. Students who take advantage of FFEL must contact their existing loan holders or servicers to inquire about prepayment options.

### **To Consolidate or Not**

It is important to keep in mind that once you consolidate, your original loans have been paid off and no longer exist; therefore, consolidation loans cannot be unmade. You cannot change your mind. Please evaluate all options carefully. Visit [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov) for more information on consolidation and contact your loan holder and servicer as well.

### **Loan Forgiveness- Discharge/Cancellation**

Under certain circumstances it may be possible to have a student loan debt discharged or cancelled. These circumstances include:

- Death or total disability of borrower
- School closed before student completed program
- Regarding Stafford Loans only: if a student's school owes student's lender a refund, forged borrower's signature on a promissory note, or certified a loan for student even if the student did not have the ability to benefit from the coursework
- Borrowers works in a certain designated public service profession (i.e. teacher in a low-income school)
- A false certification discharge was implemented allowing for a discharge if the borrower's loan was falsely certified as a result of an identity theft crime

To find out more information on loan discharge and cancellation students can contact their lender or loan servicer or visit [www.studentaid.ed.gov](http://www.studentaid.ed.gov)

### **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 an 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 six-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.

### **The Student Loan Ombudsman's Office**

Federal student loan borrowers who need assistance to resolve loan disputes or problems from an impartial, independent viewpoint can contact the FSA Ombudsman at 877-557-2575 or [www.ombudsman.ed.gov](http://www.ombudsman.ed.gov).