

Exit Counseling

All loan students are required to participate in exit counseling before enrollment ends or dropping below half-time. Exit counseling updates your loan records and collects current information such as addresses, phone numbers and references. Exit counseling also provides you with updated information about your rights and repayment information concerning your loans.

Repayment Information & Grace Period

Repayment on student loans begins six months after you stop attending half-time. This is a onetime only grace period.

You must repay your loans, even if you:

- do not complete your education;
- do not complete your program within the regular completion time for that program;
- are not employed upon completion of your studies; or
- Feel that the education you received did not meet your expectations.

Generally, federal student loans may not be cancelled or discharged due to bankruptcy.

Repayment Schedule Options

- **Standard repayment** - requires minimum monthly payments of \$50 with a maximum repayment period of 10 years. The payment amount may be higher depending on your loan balance.
- **Graduated repayment** - begins with lower payment amounts that increase over time. This allows payments to be smaller in the beginning of repayment with increases in stages during the repayment period. The maximum repayment period is 10 years.
- **Extended repayment** - available only to borrowers who had no outstanding balance on Stafford or Grad PLUS Loans on October 7, 1998 and have more than \$30,000 in outstanding FFELP loans or Direct Loans (the combined total from both programs is not taken into account). If you qualify, you may request that your repayment term is extended for a period not greater than 25 years. Your payment amounts can be either fixed or graduated.
- **Income-sensitive (Federal Family Education Loan Program)** - allows an adjusted payment amount based on gross income. The payment cannot be lower than your monthly interest amount. Your eligibility and payment amount can be adjusted annually for up to a 10-year repayment period. More interest will accrue over the life of the loan because the principal balance decreases at a slower rate.
- **Income-contingent (Federal Direct Loan Program)** - monthly payment is based on your annual income (and that of your spouse if you are married), your family size, and the total amount of your Direct Loans. Your payment amounts may be adjusted as your income changes. If you do not repay your loan after 25 years, the unpaid portion will be forgiven (you may have to pay income tax on any amount forgiven).
- **Income-based repayment** - an adjusted payment amount based on your income during any period when you have a partial financial hardship. Your maximum repayment period under this plan may exceed 10 years. If you meet certain requirements over a 25-year period, you may qualify for cancellation of any outstanding balance on your loans.

Loan Consolidation

- Loan consolidation is available if your loans are in grace period or in repayment. This program enables you to pay your existing student loans in full with one loan, with one interest rate and repayment schedule. While loan consolidation can extend your repayment period and lower your monthly payments, the interest rate (a fixed rate) and total interest you pay on the loan may be greater.

Deferments

A deferment is a period of time during which your lender temporarily suspends your regular payments. You may be eligible for a deferment under the following conditions:

- Student loan is not in default
- Enrolled in at least half-time at an eligible school
- Graduate fellowship program
- Rehabilitation training program
- Military service
 - While serving on active duty or in the National Guard during a war or other military operation or national emergency
 - National Guard and members of other reserve components who are enrolled at least half time while being called up to active duty can qualify for up to a 13-month deferment following the conclusion of the active duty service.
- Unemployment
- Economic hardship

The government pays the interest on subsidized Stafford Loans during any authorized deferment period. You are responsible for the interest on unsubsidized Stafford Loans. Your lender must determine your eligibility for any of these deferments. You will need to contact your lender to apply for a deferment.