

# Entrance Counseling

## FEDERAL FAMILY EDUCATION LOAN PROGRAM



Borrower Information (please print)					
LAST NAME	FIRST NAME	MI	SOCIAL SECURITY NO.	STUDENT ID	
CURRENT STREET ADDRESS		CITY		STATE	ZIP CODE
AREA CODE AND PHONE NO.	CELL PHONE NO.	EMAIL ADDRESS		DRIVERS LICENSE NO.	STATE
School Information					
NAME OF SCHOOL		ADDRESS		CITY	STATE ZIP CODE

### Borrower Rights and Responsibilities

As a borrower in the Federal Family Education Loan Program (FFELP), you have undertaken a very serious obligation. When you accepted your student loan, you accepted the legal and financial responsibilities associated with the loan until it is repaid. The full details of your loan contract, including interest rates, fees, repayment terms and options, deferment options, etc., were provided to you as part of your loan, promissory note and/or disclosure statement. The Master Promissory Note (MPN) you signed is a legal agreement between you and your lender. It authorized the lender to disburse multiple loans for you upon your request and the school's certification. Additional loans may be made under your existing MPN for subsequent periods of enrollment at other schools designated by the U.S. Department of Education.

*As a student borrower, you have the right to:*

- Receive written information on your loan obligations including your options for loan consolidation and refinancing.
- Receive a copy of your promissory note.
- Receive, prior to repayment, a repayment schedule and detailed information about interest rates, the balance you owe, and the repayment options available to you.
- Receive written notification from your lender if your loan is sold or transferred.
- Repay all or part of your loan at anytime without penalty.
- A grace period after you leave school or drop to less than half time status and before you begin repayment.
- Temporarily defer your monthly payments if you meet federal requirements.
- Receive a temporary period of suspended payments if you meet your loan holder's forbearance criteria.

### Certification

I acknowledge that I have read and understand the above. My signature below certifies that I have received entrance counseling and understand my rights and responsibilities as a student borrower.

*As a student borrower, you have accepted the responsibility to:*

- Repay your loan(s) even if you do not complete your program, are unable to find employment after graduation, or are dissatisfied with or feel you did not receive the educational services you purchased from the school.
- Attend exit counseling before you graduate or withdraw from school.
- Notify your loan holder promptly if you change your name, address or phone number, graduate, transfer or withdraw from school, or change your anticipated graduation date.
- Read and retain all of your financial aid and loan documents for future reference.

### Consequences of Default on Your FFELP Loan

If you fail to make your required payments and default on your student loan, the following negative consequences may result:

- Your credit rating may be damaged when your default is reported to national credit bureaus.
- You may lose any remaining forbearance and deferment options.
- Your federal income tax refund or other payments made by the federal government may be seized.
- Your defaulted account may be turned over to a collection agency.
- You may be assessed collection fees on each and every payment made after default.
- Your wages may be garnished and applied to your defaulted loan balance.
- You may lose eligibility to obtain additional federal student loans.
- You may be sued.

Student Signature \_\_\_\_\_

Date \_\_\_\_\_

### Estimate Your Monthly Payment

Your monthly payment will vary depending on how much you have borrowed, the interest rate on your loans, and other factors. For Federal Stafford Loans, repayment will begin following a six month grace period which begins after you leave school or cease to be enrolled at least half-time. The minimum monthly student loan

payment is \$50. Your minimum monthly payment may be higher based on the total amount you have borrowed. You can estimate your total monthly payment using the Account Payment Plan Estimator in the Borrowers section of [mygreatlakes.org](http://mygreatlakes.org) or by using the chart below.

Monthly Payment Amount Estimate				
Total Loan Balance	Interest Rate			
	5.6%	6.0%	6.8%	8.5%
<b>\$5,000</b>	\$55	\$56	\$58	\$62
<b>\$10,000</b>	\$109	\$111	\$115	\$124
<b>\$15,000</b>	\$164	\$167	\$173	\$186
<b>\$20,000</b>	\$218	\$222	\$230	\$248
<b>\$25,000</b>	\$273	\$278	\$288	\$310
<b>\$30,000</b>	\$327	\$333	\$345	\$372
<b>\$50,000</b>	\$545	\$555	\$575	\$620

Assumes a 10-year repayment term (120 payments total)

### Know Your Outstanding Loans

You can access the National Student Loan Data System (NSLDS) to view the details of all of your federal student loans. The NSLDS website, [nsls.ed.gov](http://nsls.ed.gov), provides you with the type and amount of each federal loan borrowed, the loan status, and the name, address, and telephone number of the loan holder—details that may come in handy now that you are ready to begin repayment.

### Keep in Touch

Staying in touch with your loan holder(s) is important to the success of your student loan experience. Any time you have a change in name, address, or phone number, make sure you provide your loan holder(s) with the updated information. If you are not certain who your loan holder is, log onto the National Student Loan Data System (NSLDS) at [nsls.ed.gov](http://nsls.ed.gov).

### Manage Your Money

Making student loan payments in a few years may not seem like a priority now. If you successfully manage your money while you are in school, it will be a lot easier to make your payments once you graduate. Creating and following a budget is a great way to do this.

A budget will help you:

- Keep track of your money instead of wondering where it all went.
- Afford the things you want instead of always falling short.
- Avoid using credit cards and other short-term fixes that simply put you further into debt in the future.

Creating a budget can be very difficult at first, merely unpleasant after a while, and totally worth it in the long run. Let Great Lakes help you with our interactive Budget Manager. The Budget Manager allows you to enter your education-related expenses, living expenses, and income information, and then generates a budget and a summary of your potential budget shortfalls, as well as tips on how to address those shortfalls. Check out the Budget Manager and other personal financial management tips and tools in the Borrowers section of [mygreatlakes.org](http://mygreatlakes.org).