

FACTS YOU SHOULD KNOW BEFORE YOU BORROW! 2010-2011

When you take out a student loan, you accept the financial responsibility of repaying the loan to your lender. You must repay the loan whether you graduated or find a good paying job. Here are some points to consider before you borrow:

- 1.) What do you reasonably expect to earn after you graduate? Income estimates are usually available from the placement office
- 2.) What is the maximum student loan debt you can afford? A rule of thumbs says that the loan payments for the year should be 8% or less of your expected gross income after leaving school
- 3.) If you are approaching or having exceeded in debt level, consider carefully your ability to repay your student loans. **DO NOT CONTINUE TO BORROW**. Explore all alternatives, including grants, scholarships, work study, parents and other relatives.

A STUDENT LOAN IS NOT A GIFT! *IT MUST BE REPAID!*

You have a bright future ahead of you. The government, servicer and school all believe in helping you further your education.

WHAT HAPPENS IF I DO NOT REPAY MY STUDENT LOANS?

If you do not repay your student loans, the following actions will take by the guarantor:

1. Your default is reported to all national credit bureaus. This keeps you from getting any more financial aid or other types of bank loans
2. The servicer will seek legal action to collect your loan and charge you for all attorney and court costs.
3. The government will take your federal or state tax refunds and apply them towards your outstanding loan.
4. Employers will be notified and wages garnished.

WHAT IF I NO LONGER WANT THIS LOAN?

You may cancel or reduce your loan amounts. If you cancel/reduce your loan amounts before the funds are posted to your student account then only that amount is requested. If you cancel/reduce your loan after the funds have been posted to your student account then the school will return the funds to the Department of Ed. After 120 days of receiving your loan, the funds must be returned to the Department of Ed as payment on your loan and you will be responsible for fees and interest accrued.

BE SMART

Keep copies of all documents and correspondence.

I have read and understand my responsibilities as a borrower.

Name

Date

This is a very simple repayment schedule which is meant to give you an idea of what your payment could be 6 months after you drop below ½ time. To get a more accurate monthly payment contact your loan servicer.

Federal Direct Subsidized Standard Repayment Schedules 4.5%

Loan Amount	Minimum Payment	Term in Months	Total Interest Paid	Total Amount Paid
\$1,000	\$50.00	21	\$41.00	\$1,041.00
\$5,000	\$52.00	120	\$1,219.00	\$6,219.00
\$7,500	\$78.00	120	\$1,828.00	\$9,328.00
\$12,000	\$125.00	120	\$2,925.00	\$14,925.00
\$20,000	\$208.00	120	\$4,874.00	\$24,874.00
\$40,000	\$415.00	120	\$9,746.00	\$49,746.00

Federal Direct Unsubsidized Standard Repayment Schedules 6.8%

Loan Amount	Minimum Payment	Term in Months	Total Interest Paid	Total Amount Paid
\$1,000	\$50.00	21	\$64.00	\$1064.00
\$5,000	\$58.00	120	\$1,905.00	\$6,905.00
\$7,500	\$86.00	120	\$2,857.00	\$10,357.00
\$12,000	\$138.00	120	\$4,572.00	\$16,572.00
\$20,000	\$230.00	120	\$7,619.00	\$27,619.00
\$40,000	\$460.00	120	\$15,239.00	\$55,239.00

Please visit the Direct Loan (<https://studentloans.gov>) website for more information about loan repayment and options if you are having trouble making your loan payment.

Find out about repayment options: Standard Repayment, Extended Repayment, Graduated Repayment, Income Based Repayment (IBR) – Effective July 1, 2009, Income Contingent Repayment (ICR) (Direct Loans Only), Income-Sensitive Repayment Plan (FFELSM Loans only).

Find out about Loan Forgiveness: Public Service Loan Forgiveness (PSLF).

Find out about postponing loan repayment: Deferment, Military Service Deferment, Post-Active Duty Student Deferment, Economic Hardship Deferment, Forbearance, Other Forms of Payment Relief.

<https://Studentloans.gov>

Please visit the National Student Loan Data System (NSLDS) to access your financial aid history. It is a database compiled and maintained by the US Department of Education. www.nsls.ed.gov

All students are required by the Federal government to complete Direct Loan Entrance Counseling at <https://studentloans.gov> before receiving a Direct Loan and also required to complete the Direct Loan Exit Counseling at <https://studentloans.gov> when they leave the university.

If you need more student loan information published by the Department of Education please don't hesitate to stop by and request a pamphlet or brochure.