

Initial Loan Counseling for Student Borrowers

Prior to first disbursement, all first time Federal Direct Loan borrowers must complete Entrance Counseling. Information on the following topics will be addressed:

- the effect of the loan on eligibility of the borrower for other forms of aid
- an explanation of the use of the Master Promissory Note (MPN)
- the seriousness and importance of the students' repayment obligation
- information on the accrual and capitalization of interest
- borrowers of unsubsidized loans have the option of paying interest while in school
- definition of half-time enrollment and the consequences of not maintaining
- half-time enrollment
- importance of contacting appropriate offices if student withdraws prior to completion of program of study
- sample monthly payment amounts
- the obligation of the borrower to repay the full amount of the loan regardless of whether the borrower completes the program or completes within the regular time for completion, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services the borrower purchased from the school
- consequences of default
- information about the National Student Loan Data System (NSLDS) and how the borrower can access the borrower's records
- name and contact information for the individual the borrower may contact with questions about the borrower's rights and responsibilities or the terms and conditions of the loan.