WELCOME TO “KNOW” YOUR LOAN DEBT COUNSELING
What To “KNOW” About Federal Student Loans

- Where to begin
- Types of Loans
- Grade Level Loans
- Loan Limits
- How much you need
- DU Disbursement Dates
- How to keep your financial aid
- Deferment and Forbearance
- Enrollment Management
- Loan Default
- Links to Know
“KNOW” Where to begin...

- www.studentloans.gov
- Loan consolidation
- Loan Servicers
- Managing Repayment
- Your Financial Aid History
- Master Promissory Note & Entrance Counseling
## “KNOW” the Types of Loans

<table>
<thead>
<tr>
<th>Subsidized</th>
<th>Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are awarded based on financial need.</td>
<td>Do not require financial need.</td>
</tr>
<tr>
<td>Interest does not accrue until six months after you graduate or are no longer attending school.</td>
<td>Interest is charged from the time the loan is disbursed until it is paid in full.</td>
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<tr>
<td>For loans disbursed after July 1(^{st}) 2012 interest will begin to accrue after graduation/less than half time status.</td>
<td>Interest may be paid while you are in school or when your loan goes into repayment.</td>
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<tr>
<td><strong>Alternative</strong></td>
<td><strong>Federal</strong></td>
</tr>
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<tr>
<td>Rates can be fixed or variable</td>
<td>Rates are fixed</td>
</tr>
<tr>
<td>Interest begins from the time the loan is originated</td>
<td>Flexible repayment options</td>
</tr>
<tr>
<td>Payment options are lender specific</td>
<td>Interest begins at the time of loan disbursement</td>
</tr>
<tr>
<td>Forbearance options available</td>
<td>Loan Forgiveness options (Teacher and Public Service)</td>
</tr>
<tr>
<td></td>
<td>Deferment/Forbearance options available</td>
</tr>
</tbody>
</table>
### “KNOW” the Types of Loans

<table>
<thead>
<tr>
<th>Parent PLUS</th>
<th>Grad PLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Is an optional credit based educational loan for parents to borrow on</td>
<td>- Is an optional credit based loan awarded to GRADUATE students based on financial need.</td>
</tr>
<tr>
<td>behalf of their dependent child.</td>
<td>- The student may borrow up to your estimated cost of attendance minus all other awarded aid.</td>
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<tr>
<td>- This loan can be used to help pay for tuition and school related expenses.</td>
<td></td>
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</tbody>
</table>
“KNOW” Your Grade Level

**Freshman**
0-30 credits earned
Base Amount: $3,500

**Sophomore**
31-60 credits earned
Base Amount: $4,500

**Federal Stafford Loan Program**

**Junior/Senior**
61+ credits earned
(Enrolled in Bachelor’s)
Base Amount: $5,500

**Graduate**
Masters or Doctoral Program
Base Amount: $8,500
Additional Unsubsidized Eligibility

**Dependent**
- Freshman, Sophomore, Junior and Senior: $2,000

**Independent**
- Freshman / Sophomore: $6,000
- Junior/Senior: $7,000

**Graduate**
- Masters and Doctoral Studies: $12,000
“KNOW” Your Limits

GRADUATE OR PROFESSIONAL

INDEPENDENT UNDERGRADUATE

DEPENDENT UNDERGRADUATE

$138,500
• Includes loans borrowed as an undergraduate student.

$57,500
• Includes all loans borrowed as a dependent.
• No more than $65,500 may be subsidized.

$31,000
• No more than $23,000 may be subsidized.
• No more than $23,000 may be subsidized.

To View Your Personal Loan History Visit: NSLDS.ed.gov
“Know” How Much You Need

- Student loans are awarded over two semesters.
- Example for a Freshman Dependent:

\[ \begin{align*}
\$2750 & \quad \text{(Fall)} \\
\$2750 & \quad \text{(Winter)} \\
\hline
\text{\hspace{1cm}} &= \text{\hspace{1cm}} \$5,500
\end{align*} \]

- At Davenport we *strongly* encourage students to borrow only what they need to cover their direct cost (tuition, fees, books, W.A. Lettinga residence halls).
- Set a monthly budget
- Plan ahead for upcoming expenses (Study Abroad)

*Reminder student loans can only be used for educational expenses.*
Enrollment Management

- Eligibility for loans requires at least half-time enrollment
  - 6 credits undergraduate
  - 3 credits graduate
- Anytime you drop, withdraw or stop attending classes your financial aid awards could be reduced or returned.
- If you need to make adjustments to your schedule be sure to contact your academic advisor and your financial aid counselor.
- Exit counseling must completed if you completely withdraw or graduate.
Disbursement and Refund Process

Classes begin

Loans disburse 3 weeks into the session

*Credit balance refunds processed within 14 days

*If you have not dropped or withdrawn from any of your courses and you have excess financial aid, you are eligible to receive the credit balance (refund).
### “Know” Your Options

#### Deferment

You may be eligible if:
- Enrolled half time
- Studying full time in a graduate fellowship program
- In an approved disability rehabilitation program
- Are unemployed or meet the rules for economic hardship
- Deployed military service member
- Volunteer as a member of the Peace Corp.

#### Forbearance

- If you do not qualify for a deferment you may be eligible for forbearance.
- A forbearance allows you to temporarily stop making payments, make smaller payments or extend the time for making payments.
The consequences of loan default:

- Your entire unpaid loan amount becomes due and payable.
- You will be reported to national credit agencies.
- You may be sued, or your wages can be garnished and federal tax refunds may be withheld.
- You will have to pay collection fees and costs, plus court costs and attorney fees.
- You’ll lose eligibility for other federal student aid and other federal benefit programs.
- You will no longer be eligible for loan deferments while in school, unemployed or experiencing economic hardship.
- You can not file bankruptcy on student loans unless approved by judge.
How to Keep Your Financial Aid

- Requirements to maintain standards
  - Cumulative GPA
    - Undergraduates: 2.0
    - Graduates: 3.0
  - Pace (Completion Rate) of at least 67%
- Students are reviewed every semester
  - The **first semester** a student falls below standards, they will receive a warning e-mail
  - Students below standards a **second semester** may appeal to keep their financial aid
- If the appeal is approved students will be placed on either an *Academic Plan* or *Probation*
Probation vs. Academic Plan

Probation is used if the student can meet SAP within one semester. Students placed on probation must complete 100% of all courses (No W or F grades) with at least a 2.0 semester GPA.

Academic Plan:
- 100% completion of all courses (No W or F grades)
- Specified semester GPA (will vary by student)
- Designed to assist student in regaining SAP by a projected point not to exceed the maximum time frame.
  - Example-A Bachelor degree requires 120 cr. hrs. A student may have 180 credit hours (cr. hrs. include both attempted and transferred) before maximum time frame is an issue.
Test your loan KNOWledge

- What is the difference between a subsidized and an unsubsidized loan?
- What is the *maximum* loan eligibility for an undergraduate student?
- Can you file Bankruptcy on a student loan?
- What is the required GPA and pace to maintain Satisfactory Academic progress (SAP)?
- When do your loans go into repayment?
- Do you know who your financial aid counselor is?
Questions?

Contact information for the Financial Aid Office

Phone: 866-774-0004
Email: financialaid@davenport.edu