

William D. Ford Federal Direct Loan Program

ENTRANCE COUNSELING DISCLOSURE STATEMENT

RIGHTS AND RESPONSIBILITIES



Spire ID#: _____

Name: _____ SS Number: _____

Please Print

I Understand the following information regarding my William D. Ford Federal Direct Loan(s):

- I am obligated to repay my loan(s) even if I do not complete the program, am unable to obtain employment or am otherwise dissatisfied with the education or other services received.
- I must repay my loan(s) with all accrued interest and deducted fees.
- I will be offered several repayment options to choose from when repaying my loan(s).
- I can change my repayment plan at any time.
- The minimum monthly payment for each loan is \$50.00 per loan, but it can be more or less depending on the amount borrowed and the repayment plan I chose. Repayment will begin as follows:

Subsidized Direct Loan Borrowers - My first payment is due following a 6 month grace period. No interest accrues until I begin repayment.

Unsubsidized Direct Loan Borrowers- Interest begins to accrue from the date of my first disbursement until the day the loan is repaid in full. My first payment on the principal is due following a 6 month grace period.

- I can prepay all or part of my loan(s) without penalty .
- The interest rate for each loan is fixed, adjusted once a year, on July 1, and will never exceed 8.25 percent.
- I must notify my school and the Direct Loan Servicing Center if I:

◆ **Change my address, my name , social security number or graduation date**

◆ **withdraw from school** ◆ **drop below half-time enrollment** ◆ **transfer to another school**

◆ **fail to enroll or re-enroll in school for the period for which the loan was intended**

- The Direct Loan Servicing Center will notify me in writing of any changes to my Direct Loan(s). I can call the Direct Loan Servicing Center toll free line 1-800-848-0979 at any time if I have any questions or concerns about my loan(s) account.
- If I qualify for a deferment (or postponement) of my Direct Loan payments, I must contact the Direct Loan Servicing Center at 1-800 848-0979 to apply.
- If I do not qualify for a deferment, or am unable to make payments, I may request a forbearance from the Direct Loan Servicing Center.
- I understand that in a period of forbearance, interest will be charged and, unless it is paid, it will be added to the principal balance of my loans.
- I can get information on all of my federal student loans by accessing the National Student Loans Data System (NSLDS) using my Department of Education PIN at: http://www.nslds.ed.gov/nslds_SA/.

If I fail to repay my Direct Loan(s), I will be considered in DEFAULT

Default is aserious credit status that could impact my further education and financial life in the following ways:

- The entire unpaid balance and accrued interest becomes due and payable immediately.
- I will not be eligible for further federal student financial aid.
- The federal government can take my federal tax refunds.
- I can lose federal employment opportunities.
- My account may be turned over to a collection agency.
- My account will be reported to credit bureaus as delinquent, which may damage my credit rating. My car and other possessions can be repossessed and sold to pay the loans.
- I will no longer be able to make easy monthly payments.
- I will lose my deferments and forbearance options.
- My school academic transcripts may be withheld.
- Some states will not allow me to work for the state or for any state or local agency.
- My total debt may be increased by late fees, additional interest, court costs, collection fees, attorney's fees, and other costs.
- My employer, at the request of the federal government, can withhold (garnish) part of my wages and give them to the Federal government. The federal government can sue me.

I have read this form and understand the meaning and intent of this information.

Signature of Borrower: _____ **Date:** _____

Return complete form to: Financial Aid Services
243 Whitmore Administration Building
181 Presidents Drive
Amherst, MA 01003

You may fax completed form to: 413-545-1700

