

# Exit Counseling

**\*\*\*If you have student loans and are graduating you are REQUIRED to complete exit counseling. A hold will be placed on your diploma and your transcript until exit counseling has been completed\*\*\***

## **\*What is Exit Counseling?**

Exit counseling provides important information to prepare you to repay your federal student loan(s). Topics include:

- ❖ Understand Your Loans
- ❖ Plan to Repay
- ❖ Avoid Default
- ❖ Make Finances a Priority

If you have received a subsidized, unsubsidized or PLUS loan under the Direct Loan Program or the FFEL Program, you must complete exit counseling each time you:

- ❖ Drop below half-time enrollment
- ❖ Graduate
- ❖ Leave school

## **\*Who should complete this?**

Students who have received a subsidized, unsubsidized or PLUS loan(s) under the Direct Loan Program or the FFEL Program, must complete exit counseling each time they drop below half-time enrollment, graduate, or leave school.

## **\*How do I complete Exit Counseling?**

You complete Exit Counseling online at <https://studentaid.gov/exit-counseling/>

## **\*How long will it take?**

The entire counseling process must be completed in a single session. Most people complete counseling in 20-30 minutes.

## **\*What do I need?**

- ❖ Verified FSA ID
- ❖ Details on your income, financial aid, and living expenses
- ❖ Names, addresses, e-mail addresses and phone numbers

# Loan FAQs

## **\*When do I begin repaying my federal student loan?**

Your loans will go into a six-month grace period once you leave college or drop below half-time enrollment. Once that six-month grace period is over, you must begin making payments on your loan. Student loans do collect interest while you are in grace period.

## **\*Will I have to make payments on my federal student loan if I transfer?**

If you enroll in a college before the six-month grace period is up, your loans will go into deferment status and you will not have to make payments on them.

## **\*How much will my federal student loan payment be?**

You will receive communication from your loan servicer. Your payment (typically monthly) depends on the following:

- ❖ Type of loan you received,
- ❖ How much money you borrowed,
- ❖ Interest rate on your loan
- ❖ Repayment plan you choose
  - You can view the different repayment plans at <https://studentaid.ed.gov/sa/repay-loans/understand/plans>

## **\*How do I make my payments?**

The U.S. Department of Education (ED) uses several loan servicers to handle the billing and other services on federal student loans. You'll work with your loan servicer to determine which payment plan works best for you.

## **\*What should I do if I'm having trouble making my loan payment?**

Contact your loan servicer as soon as possible. You may be able to change your repayment plan to one that will allow you to have a longer repayment period or to one that is based on your income. Also ask your loan servicer about your options for a deferment or forbearance or loan consolidation.

- ❖ Deferment: A deferment is a period during which repayment of the *principal* and interest of your loan is temporarily delayed.
- ❖ Forbearance: If you can't make your scheduled loan payments, but don't qualify for a deferment, your loan servicer may be able to grant you a forbearance. With forbearance, you may be able to stop making payments or reduce your monthly payment for up to 12 months. Interest will continue to accrue on your subsidized and unsubsidized loans.
- ❖ Loan Consolidation: Allows you to consolidate (combine) multiple federal education loans into one loan. The result is a single monthly payment instead of multiple payments.

## **\*What happens if I don't make my federal student loan payment?**

If you don't make your student loan payment or make your payment late, your loan may eventually go into default. If you default on your student loan, that status will be reported to credit bureaus, and your credit rating and future borrowing ability will be damaged. In addition, legal action can be taken to require payment through garnishment of wages and withholding of tax refunds.