

Direct Loan Obligations and Responsibilities

I understand I may be required to complete enhanced loan entrance and/or exit counseling and financial literacy education on an annual basis as a borrower and/or reaching a specific level of total debt.

I understand fees will be deducted from each loan disbursement by the Department of Education.

I understand for Direct Subsidized and Unsubsidized loans with a first disbursement on or after October 1, 2021, and before October 1, 2022, the loan origination fee will be 1.057% of the principal loan amount. I understand loans are subject to a 3.73% interest rate.

For Direct Subsidized and Unsubsidized loans with a first disbursement on or after October 1, 2022, and before October 1, 2023, the loan origination fee will be 1.057% of the principal loan amount. I understand loans are subject to a 4.99% interest rate.

I understand interest on Subsidized loans is paid by the taxpayers while I am enrolled in and complete at least six units each term.

I understand interest on an unsubsidized loan will begin to accrue immediately after the first disbursement. I understand while I am in college, if I choose not to pay the interest as it accrues, this will increase the total amount I have to repay.

CONSEQUENCES OF DEFAULT (not paying your student loans)

Your loans may be turned over to a collection agency and you will be charged collection costs. These may include court and attorney fees.

Your defaulted loans will appear on your credit history for up to 7 years after the default is paid. The U.S. Department of Education reports defaulted loans to TransUnion, Equifax and Experian.

You can be sued in Federal District Court for the entire loan amount, your federal and state income tax refunds may be intercepted, and your wages may be garnished.

You may be unable to obtain a professional state license, you may not be approved for a car loan or for a mortgage loan and you may be turned down for federal/state jobs.

You will become ineligible for federal financial aid programs like Pell Grant, Supplemental Educational Opportunity Grant and Federal Student Loans.

I understand I must repay my loan according to my repayment schedule even if I do not complete my academic program, drop out, I am dissatisfied with the education I received or I am unable to find employment after I graduate. I will promptly contact my Direct Loan Servicer(s) and the Financial Aid Office when I graduate or withdraw from school, carry less than six units per term or change my name and/or address.

I understand failure to meet the terms of the loan repayment schedule may require the entire amount of the loan, plus collection and legal costs to become repayable immediately.

I understand if my student account has a balance from tuition charges or other fees, this balance will be deducted from my student loan disbursement. If my student loans exceed the total charges, my account will have a credit balance and a refund will be made to the refund preference I selected.

I understand inaccurate or incomplete loan application information will delay loan processing.

CANCELLING YOUR LOAN

Before the loan money is disbursed, you may cancel all or part of the loan by notifying the school **in writing**. After the loan money is disbursed, the student may:

Notify the school in writing you want to cancel all or part of the loan within 14 days after the date the school notifies you of your right to cancel all or part of the loan or by the first day of your school's payment period, whichever is later (the school will tell you the first day of the payment period).

If you ask the school to cancel all or part of the loan outside the timeframes described above, the school may process your cancellation request, but it is not required to do so.



Student Signature: _____

Date: _____