

2008 Conducting Entrance & Exit Counseling



	First-time Stafford Loan borrowers	Grad PLUS borrowers	Recommended additional information
Entrance counseling requirements	<ul style="list-style-type: none"> • Explain use of Master Promissory Note (MPN) • Emphasize importance of repayment obligation and that repayment is required • Describe consequences of default • Provide sample monthly repayment amounts 	<p>Provide sample monthly repayment amounts based on: 1) range of student levels of indebtedness, or 2) average indebtedness of borrowers at your school or in the same program of study at the same school. Average indebtedness amount must be based on average of those receiving Grad PLUS at your school.</p> <p>If borrower has received a prior Stafford Loan, you must provide a comparison of:</p> <ul style="list-style-type: none"> • Maximum interest rate for PLUS vs. Stafford • Interest accrual period for PLUS vs. Stafford • Point at which PLUS enters repayment vs. Stafford <p>If borrower has not received a prior Stafford Loan, you must:</p> <ul style="list-style-type: none"> • Explain use of Master Promissory Note (MPN) • Emphasize repayment importance and that repayment is required • Describe consequences of default 	<ul style="list-style-type: none"> • Review terms and conditions of loans • Review rights and responsibilities • Review repayment options • Discuss budgeting • Discuss importance of keeping lender(s) informed of changes • Review deferments, forbearance, and cancellation options • Reminder of school's refund policies • Reinforce the importance of keeping good records • Reminder of exit counseling requirement
Exit counseling requirements	<ul style="list-style-type: none"> • Review information from entrance counseling • Provide average anticipated monthly repayment amount • Review repayment options • Discuss debt management strategies • Review deferment, forbearance, and cancellation options • Provide information on NSDLS and the FSA Ombudsman's office • Ensure understanding of rights and responsibilities • Collect updated personal and contact information 	<ul style="list-style-type: none"> • None required 	<ul style="list-style-type: none"> • Discuss the pros and cons of consolidation • Provide current contact information for borrower's lender(s) • Explain how to complete deferment forms; prepare correspondence to the lender • Stress the importance of keeping copies of all correspondence • Stress that payments must be made even if no payment booklet or billing notice has been received

References:

2008-2009 Federal Student Aid Handbook, Volume 2, Chapter 6
<http://www.ifap.ed.gov/sfahandbooks/attachments/Vol2Ch60809.pdf>

Common Manual, Unified Student Loan Policy, Chapter 4
<http://nchelp.org/elibrary/CommonManual>