

Borrower Rights and Responsibilities

When you accept a loan, you accept legal and financial responsibilities that last until the loan is repaid. Here is a checklist of your responsibilities in the loan process, as well as your right as a borrower.

When you accept a student loan, you are agreeing to:

- Repay your loan(s), including accrued interest and fees, whether or not you complete your education, obtain employment, or are satisfied with your education.
- Attend exit counseling before you leave school or drop below half-time enrollment.
- Notify your lender or current holder of your loan within 10 days if you change your name, address or phone number; drop below half-time status, withdraw from school or transfer; or change your graduation date.
- Direct all correspondence to the current holder of your loan, which could change during the life of the loan.
- Make monthly payments on your loan after leaving school, unless you are granted a deferment or forbearance.
- Notify your lender or the current holder of your loan of anything that might change your eligibility for an existing deferment.

If you fail to repay your student loan, you will be considered to be in default and the following may result:

- Loss of deferment and forbearance options.
- Loss of professional license.
- Loss of further federal or state student financial aid (grants or loans).
- A negative credit notation to national credit reporting bureaus.
- Possible seizure of federal/state income tax refunds and lottery winnings.
- Possible wage garnishment.
- Loss of eligibility for certain state or federal jobs.
- Collection charges may be assessed, the entire unpaid balance of loan(s) including accrued interest immediately become due and payable in full.

You also have inherent rights as a student borrower. You have the right to:

- Receive a copy of your promissory note either before or at the time the loan is made.
- Receive a disclosure statement before the repayment term on your loan begins, including information about interest rates, balance and the size and number of payments.
- A grace period after you leave school or drop below half-time enrollment and before your loan payments begin.
- Prepay all or part of your loans without a prepayment penalty.
- Written notification if your loan is sold to a new holder, apply for deferment of your loan payments for certain specified periods, as long as you are eligible.
- Request forbearance from the holder of your loan if you are unable to make payments and do not qualify for deferment.
- You must qualify according to the loan holder's requirements; receive a proof of discharge when your loan is paid in full.