CONCORDIA COLLEGE NEW YORK

OFFICE OF FINANCIAL AID

Don't Leave Campus Without It!

If you have federal loans, you must complete exit counseling before you leave campus.

What is exit counseling?

Federal loans come with two primary learning opportunities: entrance counseling and exit counseling. Entrance counseling occurs at the start of your schooling, whereas exit counseling occurs at the end of your schooling. Exit counseling is your last occasion to learn about your rights and responsibilities regarding your student loans before it's time to write that first check.

In exit counseling, you review the available repayment plans, which determine the amount of your monthly loan payment, and you get a preview of options you may qualify for should you run into trouble making a monthly payment. Exit counseling also teaches good money management strategies, so you know how to create a budget and pay your bills when you're on your own.

When should I complete exit counseling?

Exit counseling is not only for graduates. You also need exit counseling if you withdraw or stop attending school, if you decide to transfer to a different school, or if you decide to go to school less than half time. You are required to complete exit counseling whenever a change to your enrollment status results in less than half time attendance.

Where should I complete exit counseling?

Complete student loan exit counseling here.

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The Hidden Truths of Student Loans

You may be unfamiliar with the facts about student loans. Educate yourself on some important points to ensure you start out on the right path.

Your servicer is there to help.

The servicer plays a crucial part with your student loan; they are not just about collecting money! Servicers are there to help you with all of your student loan questions and concerns. Their main goal is to help you keep your account in good standing and work with you anyway they can. JUST CALL THEM for assistance. Remember, you are not alone.

Find out who your servicer is at NSLDS.ed.gov

If you withdraw from school, you still have to pay back your loan.

If you withdraw before completing your degree, you must still pay back your loan. A portion of your loan may be able to be returned depending on the amount of time you spent at the school. Review your school's refund policy to determine if any of the funds can be returned. Also, dropping out can impact your future salary.

If you can't find a job, you are still responsible for paying back your loan.

Regardless if you can't find a job, you are still responsible for making payments on your student loan. Fortunately, there are options that may be available to you to postpone payments under certain circumstances. Ask your loan servicer about deferments and forbearances.

NOTE: Deferment and forbearance options are different for private loans. If you have private loans, contact your servicer to discuss your options.

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The amount you have to pay back can be more than what you originally borrowed.

You are responsible for paying the interest that accrues on your unsubsidized loans from the date of disbursement. The government pays the interest that accrues on your subsidized loan while you are in-school and during your grace and authorized periods of deferment.

If you don't pay your student loan, there are consequences.

If payments for your federal loans become 270 days delinquent, your lender/loan servicer will take steps to place the loan in default. **Don't let this happen!** If you have difficulty making your loan payments, contact your servicer immediately. Defaulting on your student loans will have devastating consequences, such as:

- **Damage to your credit rating.**
  This affects your ability to get future loans, such as an auto loan or mortgage, obtain housing and even employment.
- **Garnishment of your wages.**
  Yes, the lender/servicer has the right to take money directly from your pay check to help repay your federal loans and they don't need your permission to do so.
- **Withholding of your tax refunds.**
  Looking forward to a big payday at tax time? Not if your loans are in default. Your tax refund can be directed to your lender/servicer to help pay your federal loans.
- **Loss of eligibility for federal and state financial aid.**
  If you ever want to go back to school and receive financial aid to help with the costs, you might not qualify if your loan is in default.

If you declare bankruptcy, your loans most likely won't "go away".

Student loans can be difficult to discharge in bankruptcy, which means you may still be responsible for repayment of the debt. You should consult a bankruptcy attorney regarding the impact of bankruptcy on your student loans, including whether they may be dischargeable.

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Be cautious of Alternative (Private) Loans.

Private Education Loans—loans issued through banks or credit unions—can help bridge the gap when savings, grants, scholarships, and federal loans do not meet your college costs.

Be aware that Private Education Loans are generally more expensive than federal loans, and the rules for paying them back are usually stricter. These loans have different repayment, deferment and forbearance options than Stafford loans. An interest rate on a Private Loan can change any time throughout the year, if the rate is variable.

Carefully review the loan program information ahead of time so you know what the "rules" are before you apply!

Beware of "Debt Relief" Organizations

Never pay for assistance with your federal student loans—your servicer provides assistance for free!

Protect Yourself

There are companies misrepresenting the facts and themselves to get your business and your money. **Be aware of the warning signs that a company may not have your best interest in mind.** Be cautious of companies that:

- Provide a disclaimer that they are a "private company <u>not</u> affiliated with the U.S. Department of Education (the Department) or the Federal Government"
- Claim to be associated with the Department or your servicer, but do not have your loan details readily available in their system
- Request a fee before they will assist you with your loans
- Use taglines such as "New Laws Discounting Federal Student Loans" and "Get Rid of Student Loan Debt!"
- Ask you to sign over power of attorney or other third-party authorization so they can make changes to your account
- Request you do not contact your servicer while they are working on your behalf
- Promise to cancel your student loan debt, lower your monthly payment immediately, or provide instant relief from wage garnishment or default
- Ask you to send your student loan payments to them instead of your loan servicer

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