

# Borrower Rights and Responsibilities Checklist

## I understand I am responsible for: (check off each item as you read it)

- Only using my loan(s) for educational purposes.
- Repaying all of the student loan(s) signed for on my Master Promissory Note (MPN). I may receive more than one loan under a single MPN.
- Completing an exit counseling session before leaving school or dropping below half-time enrollment.
- Immediately notifying my school's financial aid office and my lender if I:
  - Change my address or phone number.
  - Change my employer.
  - Change my name or social security number.
  - Transfer to another school.
  - Change my expected date of graduation.
  - Graduate.
  - Drop below half-time enrollment, withdraw from school or stop attending classes.
  - Fail to enroll or re-enroll in school for the period for which the loan was intended.
- Making on-time, monthly loan payments after I leave school, unless I have a deferment or forbearance. The monthly payment will depend on the type of loan program and amount borrowed.
- Repaying the total amount of my loan, including any interest that accrues or any fees incurred.
- Repaying my loan(s) within a maximum of 10 years, unless I qualify for a deferment, forbearance, loan consolidation, income-based repayment schedule or extended repayment schedule, which will lengthen my repayment term.
- Repaying my loans even if I do not complete my training within the regular timeframe, if I am unhappy with my education or if I'm unable to find employment after I graduate.

## I understand that I have a right to: (check off each item as you read it)

- Written information about my loan obligations and rights and responsibilities as a borrower.
- A grace period and an explanation of what this means.
- A disclosure statement that includes information about interest rates, fees, the balance I owe, the number of payments and monthly payment amount.
- Choose a standard, graduated, extended or income-based repayment plan.
- Deferment of repayment for certain defined periods, if I qualify and if I request it.
- Forbearance, if I qualify and if I request it.
- Prepay my loan in whole or in part at any time. There is no prepayment penalty, and any prepayment will not automatically be applied to my next scheduled payment.
- Request a copy of my MPN at any time.
- Proof of discharge (cancellation) when my loan obligation is fulfilled.
- Notification in writing if my loan is transferred to a new holder.
- Be advised of the typical monthly repayment amount based on a range or average of student levels of indebtedness.



**If I fail to repay my student loans: (check off each item as you read it)**

*I will be considered in default and the following may result:*

- My defaulted loan will be reported to a national credit bureau(s), which can have a negative effect on my credit rating and affect my ability to borrow in the future.
- The entire unpaid amount of my loan(s), including interest and fees, will become immediately due and payable.
- My federal and state income tax refunds may be withheld.
- Any other federal or state payments may be withheld.
- My wages may be garnished.
- Legal action may be taken against me.
- Collection charges (including attorney fees) may be assessed against me.
- I may lose benefits provided by my lender, such as a reduced interest rate or other incentives.
- My eligibility for other student aid and assistance under most federal benefit programs will be jeopardized.
- I may lose eligibility for loan deferments or forbearances.
- I may be ineligible to obtain a state professional license in my field.

I have received the entrance counseling material for subsidized and unsubsidized loans. I have read and understand my rights and responsibilities as a borrower. I also understand that, as a condition of this loan, I must attend classes and make satisfactory academic progress as defined by my school. I understand that I am receiving a loan through the Federal Direct Loan Program and that the loan must be repaid.

\_\_\_\_\_  
Student Name (PLEASE PRINT)

xxx - xx -

\_\_\_\_\_  
Social Security Number (last 4 digits only)

\_\_\_\_\_  
Student Signature

\_\_\_\_\_  
Date