

## Augustana College

### Rights and Responsibilities of Students Receiving Financial Aid

**Following is important information relating to your financial aid award at Augustana.** The following is informational only and does not constitute your acceptance of any student loans offered. To accept any loan, you must sign a separate promissory note and complete entrance counseling.

#### I UNDERSTAND THAT:

1. All financial aid is based on information currently on file and is subject to revision resulting from change in government allocation, or new or additional information received.
2. I am to report to the Office of Financial Aid any change in residence or commuter status, marital status and any additional earnings, funds or support I receive from any source that was not reported on the FAFSA or to the Office of Financial Aid. This will result in review and probable revision of my award.
3. My awards are based on full-time enrollment and will/may be reduced if I enroll/drop to less than full-time. If I withdraw or cease to carry the required number of credits, I will arrange with the Office of Financial Aid to repay any aid advanced to me for which I am no longer eligible.
4. To continue to receive assistance from any financial program, I must maintain satisfactory progress in the course of study I am pursuing according to the standards and practices of the institution as stated in the catalog.
5. I am to report to the Financial Aid Office any sources of outside aid or scholarships provided to me, and I understand that my award may be adjusted as a result. I understand that any unmet need and Federal Work-Study eligibility will be reduced first, then in the following order: Federal Direct Loan eligibility, Federal Perkins, grant/scholarships, depending on the amount of the outside aid.
6. By accepting this award, I give permission for information to be sent to those Augustana College departments requiring information for administration of financial aid. I understand that this information may include, but is not limited to, such things as my name, major, year in school, hometown and the amount(s) awarded to me.
7. If endowed/gift funds are awarded to me I agree to send a thank you note to the donor(s) who have provided endowed/gift scholarship funds to me.
8. I understand that if I receive grant funds in excess of the amount used for payment of tuition, fees, books and supplies, the excess funds are considered taxable income for U.S. income tax purposes, and that it is my responsibility to report this income on my federal tax return.
9. This award is for one year only. I must make application for aid each year.
10. I understand that federal loans and grants I received will be submitted to the National Student Loan Data System (NSLDS) and will be accessible by guaranty agencies, lenders, and institutions determined to be authorized users of the data system. I also understand that I may access the NSLDS using my FSA I.D. number for information on federal funds I have received including amounts, dates, holder of the loan, and contact information.

#### **Borrower Rights and Responsibilities under the Federal Lending Program:**

Student loans are serious obligations. It is extremely important that you understand your rights and responsibilities. When you, the student borrower, receive this statement, it means that you understand your responsibilities, and that you agree to honor them.

#### BORROWER RIGHTS

1. When you take out a loan, you sign a promissory note. You must be given the opportunity to either print a copy or to obtain a paper copy of the promissory note. Once your loan is paid in full, you will be notified by your lender.
2. You have the right to a "grace period" before your repayment begins, if your loan provides for one. The grace period begins when you leave school or drop below half-time status. The length of this period is shown on your promissory note.
3. You must be given a list of deferment conditions and conditions under which the Department of Defense will repay your loan.
4. Before your school gives you the first loan disbursement, your school/lender must also give you the following information:
  - a. The full amount of your loan, interest rate, and when you must start repaying;
  - b. A complete list of loan fees, and information on how they are collected;
  - c. The yearly and total amounts you can borrow and the maximum and minimum repayment periods;
  - d. A current description of loans you owe your school/lender, an estimate of what your total debt will be, and what your monthly payments will be.
  - e. An explanation of default and its consequences, refinancing and consolidation options, and your option to prepay your loan without penalty.
5. Before your repayment period begins, your school/lender must tell you:
  - a. The amount of your total debt (principal and interest), what your interest rate is, and the total interest charges;
  - b. Where to send your payments and where to write if you have questions about your loan;
  - c. When your first payment is due, and the number, frequency, and amount of all payments;
  - d. What fees you should expect during the repayment period;
  - e. About prepayment, refinancing, and consolidation options.

6. You must be given a loan repayment schedule. If you are unable to meet your repayment schedule, and you have a Federal Perkins Loan or Direct Student Loan, you may request a delay in repayment. If you have a Federal Direct Loan, Federal Direct PLUS, or Federal Grad PLUS, you may request forbearance, if you are not eligible for a deferment. Forbearance means permitting payments to be stopped temporarily, allowing an extension of time for making payments, or making smaller payments than were previously scheduled. Your lender does not have to grant forbearance or a delay in repayment.
7. If your loan is a subsidized Federal Direct Loan, you have a right to federal interest benefits. This means that the Federal Government will pay the interest on your loan until your repayment period begins and will also pay during authorized deferment periods. (If you have an unsubsidized Federal Direct Loan, you must arrange with the lender to pay the interest.)
8. If you have a Federal Direct Loan, Federal Direct PLUS or Federal Direct Grad PLUS, and the lender sells the loan or transfers the right to receive payments, you must be provided with the identity of the purchasing lender, and the name and address of the new lender or servicer, notice of the loan assignment; and the telephone number of both the purchasing and selling lenders and servicers.

#### **BORROWER RESPONSIBILITIES:**

##### **Federal Direct Loans**

1. You must complete loan entrance counseling before a Federal Direct Loan can be disbursed. This only needs to be completed before the first disbursement of the first loan (for each type of fund) as long as you are at the same school.
2. You must notify your lender if you graduate, withdraw from school, or drop below half-time status; transfer to another school; change your name, address, or Social Security Number. If your address changes while you are in school, you must notify your school of the change.
3. If your loan is a Federal Direct Loan, Federal Direct PLUS, Federal Direct Grad PLUS, you (or your parent, if the loan is a Federal Direct PLUS) must notify the lender if you fail to enroll in school for the period for which the loan is intended.
4. You must repay the loan according to the repayment schedule your school/lender will give you.
5. You must notify your school/lender of anything that affects your ability to repay the loan or your eligibility for deferment or cancellation.
6. Remember, your loan money can only be used for tuition and other related education expenses.
7. Before you leave school, you must complete loan exit counseling.

##### **Federal Perkins Loan:**

1. You must complete loan entrance counseling before a Federal Perkins loan can be disbursed.
2. You must, without exception, report any of the following changes to the Office of Financial Aid at (309) 794-7207: you withdraw from school; you transfer to another school; you drop below half-time status; your name changes (i.e., marriage); or your address, or your parents' address, changes.
3. You must promptly answer any communication from the Business Office or Office of Financial Aid regarding your loan(s). When you graduate or withdraw from Augustana College, you must complete exit loan counseling online at <https://www.uasexit.com/>. You will receive email notification upon completing this process.
4. After ceasing to be a half-time student, you are entitled to a grace period of nine months, during which time interest shall not accrue and payments need not be made.
5. The actual percentage rate of 5% will be the finance charge based on the unpaid balance following the grace period.
6. Payments are monthly and start at \$40. The maximum length of time to repay is ten years. There is no penalty for prepayment.
7. Cancellation will be granted on Federal Perkins Loans for certain types of school teaching and public services as listed on the master promissory note.
8. You must contact the Business Office to make arrangements if you cannot repay your loan on time. If you fail to repay your loan as agreed, the total loan may become due and payable immediately, and you will forfeit your rights to any further cancellation or deferment. You will be reported to a credit bureau. You may be assigned to a licensed collection agency or have legal action taken against you. Late charges will accrue on late payments. If Augustana College is unable to collect your loan, it may be assigned to the Federal Government for collection. University Accounting Service (UAS) in Brookfield, WI is Augustana College's loan servicer. Any mail or email from UAS relates to your Federal Perkins loan.

#### **CONSOLIDATING YOUR LOAN:**

You may be able to consolidate your loans using one payment plan. A loan consolidation program is available to students or parent borrowers having loans totaling at least \$5,000. Except for Federal Direct PLUS loans to parent borrowers, Federal Stafford and Perkins loans will be eligible for consolidation, as well as loans made under the Health Professions Student Loan Program. Loan consolidation allows lenders to pay off your existing student loans and create one new loan. The repayment period will be from 10 to 25 years, depending on the amount to be repaid.