



## Student Loan Entrance Counseling

Before West Virginia Junior College can disburse your Federal Stafford Loan (Subsidized or Unsubsidized or both), regulations require that you complete this entrance counseling session.



## ABOUT YOUR LOANS

Federal Stafford Loans are awarded to students attending school at least half-time. At least half-time is defined at West Virginia Junior College as being enrolled in at least 6 credit hours for each payment period in which a disbursement of your loan is scheduled. Failure to maintain half-time enrollment status will result in your six month grace period beginning and eventually your loan payment coming due.

You may receive a **Subsidized Stafford** Loan, an **Unsubsidized Stafford** Loan or both.

Subsidized Loans are based on your Financial Need as determined by the information you provided on your FAFSA. Unsubsidized Loans are not based on Financial Need

The amount you can borrow in Stafford loans depends upon a few different things:

- Your Academic Level
- Your Dependency Status
- The length of your academic program
- And the receipt of other aid types



## ABOUT YOUR LOANS

The Cost of Attendance (COA) established for your program minus the Expected Family Contribution (EFC) as determined by the information you supplied on your Free Application for Federal Student Aid equals the amount of need you have for certain other financial aid programs, such as grants, scholarships, work study, and subsidized Stafford loans. The amount you borrow from loans could effect the amounts of these other financial aid programs.

By maximizing your grants, scholarships, and work study funding, you will be minimizing your future loan repayment obligations.



## INTEREST RATES

Your Unsubsidized Stafford Loan will have a fixed interest rate of 6.8%.  
Your Subsidized Stafford Loan will have a fixed interest rate as follows:

- ◆ 6.8% fixed interest rate for loans disbursed prior to July 1, 2008
- ◆ 6.0% fixed interest rate for loans disbursed on or after July 1, 2008
- ◆ 5.6% fixed interest rate for loans disbursed on or after July 1, 2009
- ◆ 4.5% fixed interest rate for loans disbursed on or after July 1, 2010
- ◆ 3.4% fixed interest rate for loans disbursed on or after July 1, 2011
- ◆ Beginning July 1, 2012, interest rates revert back to a fixed rate of 6.8%

If you have borrowed previously at our school or any other and disbursements were before July 1, 2006, these Subsidized and Unsubsidized Stafford Loans will have a variable interest rate but will never exceed 8.25%



## INTEREST RATES, Cont.

The interest on your Subsidized Stafford Loan is paid by the federal government while you are enrolled in school at least half-time, and during grace and deferment periods. However, you are responsible for paying the interest that accrues during repayment and during periods of forbearance. If interest payments are not made during periods of forbearance, any unpaid interest will be capitalized and increase the principal balance of your loan.

If you receive an unsubsidized Stafford loan, you are responsible for paying the interest from the date the loan is disbursed. You have the option to pay the interest while you are in school. If you do not pay the interest during your in-school period, during the grace period, or during periods of deferment or forbearance, the unpaid interest will be capitalized and increase the principal balance of your loans.



## Loan Fees

Some lenders charge a Loan Fee, or borrower origination fee. This fee is proportionately subtracted from each disbursement. The Guarantee Agency may also charge a guarantee fee. However, you will be responsible for repaying the total amount borrowed before fees are subtracted.

Your actual interest rate and loan fee (if any) will be included in a disclosure statement sent to you from your lender or servicer.



## Promissory Note

A promissory note is a legal binding contract between the borrower of a Stafford Loan and the Lender. It contains the terms and the conditions of the loan and explains how and when it should be repaid. Before you receive your loan funds, you must sign a Master Promissory Note.

When you sign the Master Promissory Note, you are confirming that your school may make multiple loans for you for the duration of your education without having you sign another promissory note. You are also agreeing to repay your lender, all loans made to you under the terms of the note.

West Virginia Junior College has a confirmation process to help ensure your control over borrowing multiple loans under one Master Promissory Note so you will always know the loan amounts you are borrowing for each academic year.



## YOUR RIGHTS

It is your right to Know:

- Your Loan Principal
- When your first payment is due
- Amount of payments
- Cancellation, loan forgiveness, deferment and forbearance options
- Your consolidation options

You also have the right to:

- A 6 month grace period
- Receive appropriate deferments or forbearances if you qualify
- Change your repayment plan
- Prepay all or any part of the amount owed without penalty
- Decline all or part of your loan money before it is disbursed
- Receive a copy of your Master Promissory Note
- Receive documentation that your loan is paid in full



## **YOUR RESPONSIBILITIES**

- To attend exit counseling when you leave school
- Contact your servicer when you:
  - Withdraw or graduate
  - Drop to a less-than-half-time status
  - Transfer to another school
  - Change your name, address, phone number or social security number
  - Change your expected date of graduation
  - Make monthly payments on your loan after you leave school
  - Keep your loan papers in one place



- It is also your responsibility to notify the appropriate official of the college if you withdraw prior to completing your program of study so the college can provide exit counseling.
- The appropriate notification should be made to the Director of Academics to whatever extent possible.



## LOAN REPAYMENT

- You have a six month grace period before you must begin repaying your Federal Stafford Loans.
- Typically, you have 10 years to repay for Stafford loans, although this period can be extended up to 25 years depending upon which repayment plan you choose.
- Your repayment amount will depend upon:
  - The amount you borrow
  - The length of your repayment period
  - The repayment plan you choose
- The minimum repayment amount is \$50
- You will make payments to the lender or servicer that made you the loan.



Please locate the amount you are borrowing below to determine the approximate monthly payment amount

### SAMPLE LOAN REPAYMENTS

Based on 6.8% Interest Rate and with a Standard Repayment Plan (10 Year Loan Term)

<b>Initial Debt When you Enter Repayment</b>	<b>Payment Amount per Month</b>	<b>Total Repaid</b>
\$4,000	\$50	\$5,346
\$5,000	\$58	\$6,905
\$6,000	\$69	\$8,286
\$7,000	\$81	\$9,667
\$8,000	\$92	\$11,047
\$9,000	\$104	\$12,428
\$10,000	\$115	\$13,810
\$12,000	\$138	\$16,572
\$14,000	\$161	\$19,333
\$16,000	\$184	\$22,100



## Repaying your Student Loan

- Unlike grants and scholarships, the money you receive from a Federal Stafford loan program must be repaid.
- In fact, you must repay your loan(s) in full even if:
  - You do not finish school
  - Do not get a job upon completing your studies
  - Become dissatisfied with your school
  - Do not receive the educational or other services you purchased.



## **CONSEQUENCES OF DEFAULT**

**Loans must be repaid. If you are having trouble making payments contact your servicer or the college's Loan Assistance Department . They will work with you to avoid the serious consequences of default.**

### **If you Default:**

- **The entire unpaid balance and accrued interest becomes due and payable immediately.**
- **You lose your deferment options.**
- **Your account is reported to a collection agency**
- **Your account will be reported as delinquent to credit bureaus, damaging your credit rating.**
- **The federal government can intercept any income tax refund due to you or you and your spouse.**
- **Late fees, additional interest, court costs, collection fees, attorney's fees, and other costs incurred in collecting your loan will increase your loan debt.**
- **Your employer (at the request of the federal government) can garnish part of your wages and send them to the government.**
- **The federal government can take legal action against you.**
- **You may be unable to get financial aid to attend college in the future.**



## **HELP WITH YOUR STUDENT LOANS**

**The Financial Aid Office is available to help you with your student loans while you are in school. You may contact the Financial Aid Office at 304-296-8282.**

**After you leave school, West Virginia Junior College's Loan Assistance Department will help you with your student loans.**

**They have a team of experts ready to help you complete deferment or forbearance requests to postpone payments if necessary.**

**They are not working on behalf of the servicer to collect payments – they are working for YOU to help you with your loans and to avoid default.**

**The Loan Assistance Department can be contacted at:**

**1-800-786-0479**

**Monday through Friday**