



Student Loan Exit Interview

White — Guarantor Copy • Yellow — School Copy • Pink — Borrower

Return completed guarantor (white) copy to: Michigan Guaranty Agency, P.O. Box 30047, Lansing MI 48909-7547

| | | |
|-----------------------------|------------------------|-----------------------------------|
| Name (Please print clearly) | Social Security Number | Driver's License Number and State |
| Current Address | Street | Apartment |
| City/State | ZIP Code | Current Telephone |
| Expected Permanent Address | Street | Apartment |
| City/State | ZIP Code | Permanent Telephone |
| School Name | E-Mail Address | |

References *Please provide three separate references with different addresses. The first should be your parent or legal guardian.*

| Name of Nearest Relative | Relationship | Address | City/State/ZIP | Telephone |
|--------------------------|--------------|---------|----------------|-----------|
| Personal Reference | Relationship | Address | City/State/ZIP | Telephone |
| Personal Reference | Relationship | Address | City/State/ZIP | Telephone |
| Expected Employer | | Address | City/State/ZIP | Telephone |

Read this section carefully *I understand the following information about my student loan(s):*

- I must repay my loan(s), including accrued interest and any deducted fees.
- I must repay my loan(s) even if I don't complete my education or fail to complete my program of study within the regular time for program completion, I am dissatisfied with my education, or I am unable to get a job after I complete my program.
- I must repay my loan(s) within 10 years, unless my loans are consolidated, or I have selected special repayment options, such as income-sensitive, graduated, extended or income-based repayment, or have qualified for a deferment or forbearance.
- I may have received more than one loan under a single Master Promissory Note (MPN), and by signing the MPN, I agreed to repay all of these loans.
- I may prepay all or part of my loans(s) without penalty.
- I may request a shorter repayment schedule or change repayment plans by contacting my lender.
- My minimum monthly payment will depend on the type of loan program and the total amount owed, but generally will not be less than \$50 per month.
- I have been advised of the typical monthly repayment amount based on a range of student levels of indebtedness or the average indebtedness of Stafford and/or Grad PLUS loan borrowers at my school or in my program of study.
- For each repayment option, I have been provided with sample information showing anticipated monthly payment amounts, interest costs and total payments based on a range of student levels of indebtedness or the average indebtedness of Stafford and/or Grad PLUS loan borrowers at my school or in my program of study. (See back of this form for repayment options and repayment-related information specific to each type of loan.)
- The prevailing interest rate, fees, and repayment terms and conditions are specified in the MPN and/or the loan disclosure statement that I received.
- I must notify my lender or, in the case of Perkins loans, the school if I:
 - Change my name. - Change my address. - Change my telephone number. - Change my references. - Change employer. - Withdraw from school or begin attending less than half-time. - Change my Social Security number. - Transfer to another school.
- I will be notified, in writing, if any of my loans are transferred to another holder. I must direct all future correspondence to that holder.
- If I qualify, I may apply to my lender for a deferment (a postponement of principal payments on my loan). (See back of this form for details on deferment options.)
- If I do not qualify for a deferment and am unable to make payments on a loan, I may request forbearance from my lender/servicer. Forbearance is a special arrangement made for borrowers experiencing financial hardship or meet other qualifying conditions. (See back of this form for details on forbearance.)
- If I pay qualifying interest on my federal student loans during a tax year, I may be eligible to deduct up to \$2,500 from my federal income tax liability.
- I may be eligible for a full or partial discharge, forgiveness or cancellation of my federal student loan(s), under special circumstances. (See back of this form for details on loan discharge, forgiveness and cancellation.)
- If I fail to repay a loan, I may be considered in default, and the following may result:
 - My default status may be reported to a national credit bureau and have a negative effect on my credit rating for seven years. - The entire unpaid amount of my loan, including interest, may become due and payable immediately. - My federal and state income-tax refunds and other federal payments may be withheld. - I will lose deferment, repayment, and forgiveness options. - My wages may be garnished. - I may be ineligible to receive any further federal or state financial aid. - I may lose or be ineligible to obtain a state professional license in my field. - I may be sued. - I will be assessed collection costs, including attorney fees.
- I may access information about my federal student loans, and other sources of federal financial aid, by visiting the Web site of the National Student Loan Data System at www.nslds.ed.gov or by calling the Federal Student Aid Information Center toll-free at (800) 4-FED-AID or TDD (800) 730-8913.

I have read all the information on this form and understand its meaning and intent (front and back). I have completed all requested items truthfully and accurately. I have received loan counseling, including repayment options and debt management information.

Student's Signature

Exit Interview Date

Repayment Options

I will avoid paying additional interest by selecting the plan that produces a monthly payment I can afford, but also repays the loan as quickly as possible.

I have been advised of the following options for repaying my Federal Stafford and/or Federal Grad PLUS loan and the differences in total interest paid and total payments among these options:

- **Standard (level) repayment** - I will make fixed monthly payments of at least \$50 and repay my loan(s) in full within 10 years, excluding periods of deferment or forbearance.
- **Graduated repayment** - My monthly payment amount will increase over time, but no payment will be more than three times greater than any other payment.
- **Income-sensitive repayment** - My monthly payments will be adjusted annually based on my expected gross monthly income.
- **Extended repayment** - If I was a new borrower effective October 7, 1998, and I accumulated more than \$30,000 in outstanding Federal Family Education Loan Program loans, I may extend my repayment period up to 25 years and repay under a level or graduated schedule.
- **Income-based repayment** - Effective July 1, 2009, I may be able to limit my monthly payment, if I have borrowed Stafford, Grad PLUS, and/or Consolidation Loans and meet the definition for Partial Financial Hardship. My monthly payment will be adjusted annually based on my income and family size, but will not exceed 15 percent of the difference between my adjusted gross income and 150 percent of the federal poverty guidelines.

In most cases, repayment will begin as follows:

- **Federal Subsidized Stafford Loans** - Principal and interest payments begin following a six-month grace period after leaving school or dropping to less than half-time enrollment.
- **Federal Unsubsidized Stafford Loans and Federal Grad PLUS Loans** - Interest begins to accrue as soon as my loan is disbursed. The interest is deferred while I am in school and, unless paid, will be capitalized (added into the principal) unless I advise my lender that I wish to make interest payments while I am in school. Principal and interest payments begin six months after I leave school or drop to less than half-time enrollment.
- **Federal Perkins Loan** - Principal and interest payments begin following a nine-month grace period after leaving school or dropping to less than half-time attendance.
- **Health Professions Student Loan/Primary Care Loan** - Principal and interest payments begin following a 12-month grace period after leaving school or dropping to less than half-time enrollment.
- **Nursing Student Loan** - Principal and interest payments begin following a nine-month grace period after leaving school or dropping to less than half-time enrollment.

Loan Consolidation

I may combine multiple educational loans into a new single loan and extend my payments up to a 30-year repayment period depending on my total education debt. This will allow me to make a single, possibly lower, monthly payment, but longer repayment periods mean more interest paid. I understand borrower benefits may differ between lenders. I may prepay my Consolidation loan without penalty. I may be able to change my consolidation loan repayment plan. Depending on what types of loans I consolidate and when I consolidate, I may lose my grace period, deferment options, as well as loan forgiveness benefits and loan cancellation.

Debt Management

Taking the time to plan for repayment of my student loan now can save me hundreds of dollars in interest costs and possible harm to my credit. The following are ways that I can plan for successful debt management and repayment of my student loans:

- Organize all student loan documents in a folder that I have easy access to.
- Estimate my monthly student loan payments by using a repayment calculator.
- Choose a repayment plan that creates a monthly payment I can afford, but also repays my loan as quickly as possible, so I avoid paying additional interest.
- Develop a realistic monthly budget based on my minimum salary requirement and expenses, including my monthly student loan payment.
- Ask my lender about starting automatic deduction of my loan payments from my bank account to guarantee on-time payment.
- I should limit the amount of other types of debt, particularly credit card debt, while I am repaying my student loans.

Deferment Options

Deferment is a period of time during repayment in which I, upon meeting certain conditions, is not required to make payment of loan principal. In some situations, the federal government will pay the interest.

I may apply to my lender for a deferment if I was a new borrower on or after July 1, 1993, and meet one of the following conditions:

- I am experiencing economic hardships.
- I am unemployed or working less than 30 hours a week.
- I am enrolled at an eligible school on at least a half-time basis.
- I am serving on active duty in the U.S. Armed Forces or National Guard.
- I am engaged in a full-time rehabilitation training program or an internship/residency program.

I may obtain deferment information directly from my lender, if I was not a new borrower on or after July 1, 1993. If I borrowed unsubsidized Stafford or Grad PLUS loans, interest will continue to accrue during the deferment. I may pay the accruing interest, or my lender may capitalize the interest.

Forbearance

Forbearance is an authorized period of time during which the lender agrees to temporarily postpone my principal repayment obligation or to reduce the amount of the payments. Interest payments continue to be my responsibility.

I can possibly receive a forbearance if I meet any one or more of the following conditions:

- I am experiencing financial difficulties due to personal problems and unable to make regularly scheduled payments.

- I am participating in a medical or dental internship or residency.
- My student loan debt is equal to or greater than 20 percent of my total monthly income.
- I am serving in a national service position and am receiving a national service educational award under the National and Community Service Trust Act of 1993 (AmeriCorps).
- I meet the eligibility requirements for certain loan forgiveness programs and the lender believes that the cancellation amount will satisfy the anticipated loan balance at the time of the expected cancellation.
- I am affected by a local or national emergency.
- I am subject to a military mobilization.
- I reside in an area that has been designated a disaster area.

My school has advised me of my forbearance options and provided information from the U.S. Department of Education about student financial assistance programs.

Loan Discharge, Forgiveness and Cancellation

A loan discharge, forgiveness or cancellation releases me from all obligations to repay the loan. I may be eligible for a full or partial discharge of my federal student loan(s), under the following circumstances:

- If I die.

- If a physician certifies that I am totally and permanently disabled or the U.S. Department of Veterans Affairs has determined that I meet certain disability criteria.
- My school closes and I am unable to complete my course of study.
- If I establish undue hardship in an adversary proceeding before a bankruptcy court.
- As a result of the crime of identity theft, my loan was falsely certified.
- If my school falsely certified my eligibility for the loan.
- If my school failed to make a required refund to my lender on my behalf.

I may be eligible for forgiveness of a portion of my outstanding Stafford or Grad PLUS loan indebtedness based on certain service as a teacher or in other defined areas of national need. I may qualify for full or partial cancellation of my outstanding Perkins loan debt based on my service in certain occupations.

I have been advised that the U.S. Department of Education has provided additional information on deferment, forbearance, loan cancellation and forgiveness in the publication Funding Education Beyond High School: The Guide to Federal Student Aid 2008-09. To view this publication, visit http://www.studentaid.ed.gov/students/publications/student_guide2008-2009/english/index.htm.

Office of the Ombudsman

If I have contacted my school, lender and guarantor regarding a dispute on my loan(s), and the dispute has not been resolved, I may contact the Department of Education's Student Loan Ombudsman's office. An Ombudsman is available as a neutral party to work with me and all agencies involved to assist in resolving student loan disputes. The Ombudsman may be contacted at: **U.S. Department of Education, FSA Ombudsman, 830 First Street, N.E., Fourth Floor, Washington, DC 20202-5144, (877) 557-2575.**

Repayment Estimates Under Standard Repayment Plan

| Balance at Repayment | 6% | | | 6.8% | | | 8.5% | | |
|----------------------|--|--------|----------|-------------------------------|--------|----------|----------------------|--------|----------|
| | Subsidized Undergraduate Stafford Fixed Rate | | | All Other Stafford Fixed Rate | | | Grad PLUS Fixed Rate | | |
| | Payment | Months | Interest | Payment | Months | Interest | Payment | Months | Interest |
| \$3,000 | \$50 | 72 | \$576 | \$50 | 74 | \$677 | \$50 | 79 | \$920 |
| \$6,000 | \$67 | 120 | \$1,993 | \$69 | 120 | \$2,286 | \$74 | 120 | \$2,927 |
| \$10,000 | \$111 | 120 | \$3,322 | \$115 | 120 | \$3,810 | \$124 | 120 | \$4,878 |
| \$20,000 | \$222 | 120 | \$6,645 | \$230 | 120 | \$7,619 | \$248 | 120 | \$9,757 |
| \$30,000 | \$333 | 120 | \$9,967 | \$345 | 120 | \$11,429 | \$372 | 120 | \$14,635 |
| \$40,000 | \$444 | 120 | \$13,290 | \$460 | 120 | \$15,239 | \$496 | 120 | \$19,513 |
| \$50,000 | \$555 | 120 | \$16,612 | \$575 | 120 | \$19,048 | \$620 | 120 | \$24,391 |
| \$60,000 | \$666 | 120 | \$19,935 | \$690 | 120 | \$22,858 | \$744 | 120 | \$29,270 |