

## Walters State Student Information Regarding Loan Repayments

You do not have to begin to repay most federal student loans until you leave school or drop below half-time. There is also a period of time called a “grace period” that gives you time to get financially settled and select a repayment plan. The grace period on Direct Federal Stafford Loans is six months. *\*If you are called to active military duty for more than 30 days, the grace period will be delayed.*

**Important:** Students must complete EXIT counseling before leaving school to ensure that rights and responsibilities as a borrower are understood. Students may complete exit counseling at the following link <https://studentloans.gov/myDirectLoan/index.action>. At this point, the student will receive information about repayment and the loan servicer will provide a date the loan payment is scheduled to begin.

A student should notify the loan servicer if any of the following occur:

- Graduate
- Withdraw from school
- Drop below half-time status
- Change name, address or Social Security number
- Transfer to another school

Students are encouraged to keep track of how much they are borrowing over their entire college career. You may access all of your U.S. Department of Education loans by the logging on to the National Student Loan Database (NSLDS) at [www.nsls.ed.gov](http://www.nsls.ed.gov), the central database for federal student aid.

Repaying your student loan(s) is a very serious matter, and it is important to keep accurate, accessible records. The following is a list of items that students should maintain on each loan.

- Financial aid award letters
- Loan counseling materials (entrance and exit counseling)
- Promissory notes
- Amount of your student loans, including the amount disbursed each semester
- Account numbers for each of your loans
- Name, address, phone number and website of your loan servicer
- Loan disclosure and payment schedule sent to you by your servicer before you start repayment
- Monthly payment stubs or print outs of proof of payment
- Notes about any questions you ask about your loans, answers and name of contact persons
- Any deferment or forbearance paperwork and notes of any phone calls to the servicer
- Documentation proving that you paid your loans in full

*Exit counseling information will be provided to the students currently receiving loans at the point they withdraw, graduate, leave the college or drop below a half-time enrollment status. If you have questions regarding your loan status, exit counseling, loan servicer or repayment information please contact the Financial Aid Office at (423) 585-6811.*

## Loan Repayment Q & A

### When do I choose a repayment plan?

Your loan servicer will send you information about repayment and you will be notified of the date the repayment begins. **However, you are responsible for beginning repayment on time even if you do not receive this information.** For information on repayment plans and to use interactive calculators go to [www.studentaid.ed.gov/repaying](http://www.studentaid.ed.gov/repaying).

### Who do I make my loan payments to?

You will make loan payments to your loan servicer after being notified of when and where to send payments. You must be notified if your loan servicer changes and if it results in making payments to a new servicer.

### What if can't make a payment?

There are many ways to get help if you are struggling, including changing your payment due date, switching repayment plans, or asking about deferment or forbearance. Students should contact their servicer immediately.

Your student loan debt is a legal obligation and can be a 10-30 year financial commitment. Your credit history will be affected if you do not repay your student loans. If you fail to make payments for more than 270 days your loan will go into default. You may be denied future education or consumer loans, you may not be able to obtain a mortgage, rent an apartment, or buy a car.

***“Don't ignore debt. It won't go away”***

### What is deferment?

A deferment is a period in which repayment of the principal balance is temporarily postponed if you meet certain criteria. The student must apply for deferment with the loan servicer. The most common loan deferment conditions are enrollment in school at least half time, inability to find full time employment, economic hardship and military service. Students must continue to make payments on the student loan until they have been notified by the servicer that the request for deferment has been approved.

### What is forbearance?

Forbearance allows students to postpone or reduce monthly payment amounts for a limited and specific time period if the student is unable to make a regularly scheduled payment for any of the following reasons: financial hardship, illness or do not meet criteria for deferment. Students must request forbearance and in some cases you must provide documentation to support that you do meet the eligibility requirements.