



According to the Federal Default Reduction Act, all students must be informed of their rights and responsibilities regarding their student loan(s). A summary of loans you were awarded while attending Pine Technical & Community College (PTCC) is enclosed. **Per federal regulations, all students who borrowed federal Direct loans are required to complete Direct Loan Exit counseling.** The Online Direct Exit Counseling session puts your student loan repayment process in perspective and provides you with information on how to manage your student loans.

Please follow the directions below to complete Exit Loan Counseling, which will take about 25 minutes. All you need is a computer with Internet access. You may use the computers at PTCC.

Go to the Webpage: www.studentaid.gov

1. Log in
2. Under "Manage Loans" click "Complete Exit Counseling"
3. Complete Exit counseling and complete the Exit Counseling Exam
4. After completing Exit Counseling an email will be sent to the PTCC Financial Aid Office.

If you have any questions or want additional loan information sent to you, please contact FinancialAid@pine.edu.

IMPORTANT INFORMATION TO REMEMBER ABOUT LOANS:

1. **Keep a copy of all letters, forms, cancelled checks and applications for your records. Print copies of all online forms.**
2. **Use of your Master Promissory Note (MPN)** The MPN is a legally binding agreement between you and your lender. Under an MPN, you may receive one loan over a period up to 10 years as long as you are enrolled on a continuous basis and use the same lender. If you take a semester or year off, you may have to complete another MPN. If you want to change lenders, you will have to complete another MPN. You may complete a new MPN at any time you choose.
3. **Be sure to keep PTCC updated** with changes in your name, address, phone, email address, Social Security Number, references, Driver's License number, etc. When you leave PTCC, provide your expected address (if known), your expected employer (if known), and the name, phone and address of next of kin.
4. **Explore your repayment options.** If you ever are having problems making payments, contact your lender immediately! There are several repayment options available that allow greater flexibility in the repayment process. Contact your lender to discuss the various repayment plans. See repayment examples on page two of this letter. Here are some repayment options:
 - Standard (fixed payment with up to 10 years to repay)
 - Extended Repayment plan (fixed payment with 12 to 30 years to repay, depending on loan balance)
 - Graduated Repayment plan (smaller payments at first and larger payments later for up to 30 years, depending on loan balance)
 - Individualized payment plans (payment plans arranged with your lender)
 - Income-contingent/income-sensitive/income-based and pay as you earn repayment (payment plans adjusted based on your income)
 - Deferment (temporary suspension of payments if certain eligibility requirements are met)
 - Forbearance (postponement or reduction of payment due to economic hardship, illness, other emergencies, etc.)
 - Cancellation of loan debt (partial or full discharge of loan debt if you are totally and permanently disabled)
5. **Loan Consolidation:** Federal Direct Loans can be consolidated through the US Department of Education at www.studentaid.gov. *For students with multiple lenders, loan consolidation can lower your monthly payment and simplify the repayment process. Be aware that loan consolidation can result in changes to the loans' underlying benefits, grace periods, loan forgiveness, cancellation, and deferment.*
6. **Tax Benefits:** There are several tax benefits for educational expenses. Please review the IRS Publication 970 at www.irs.gov for additional information.
 - Hope Credit (tax credit available to students in the first two years of college)
 - Lifetime Learning Credit (tax credit available to students in any year in which student attended college)
 - Student Loan Interest deduction (indirectly reduces federal taxes you owe based on the amount of interest paid on student loans)



7. **The consequences of default are serious!** You can be sued for the entire amount of your loan and your credit rating can be severely damaged, making it difficult to borrow money for a car or home, or to receive credit cards. The default status can remain on your credit report for several years after you pay the loan in full. Your Federal Treasury payments (including federal tax refunds) and state income tax refunds may be withheld. Up to 15 percent of your disposable income can be garnished (administrative wage garnishment) without a court order. You will be ineligible to receive any more federal financial aid (and possibly state aid) unless you make acceptable arrangements to repay what you already owe. You may be ineligible for assistance under most federal benefit programs. You will be ineligible for deferments or forbearance. You will be liable for the costs associated with collecting your loan which may be up to 25 percent of your principal and interest balance, plus court costs and attorney fees. You may not be able to renew a professional license you hold or may jeopardize your chances for certain types of employment. Your loan may be assigned to a professional collection agency.
8. **Preventing Default.** Default can be avoided. Be sure to develop a realistic budget using your minimum salary requirements. Be sure to treat your Direct loan payments as a fixed cost, like rent and utilities. Make your loan payments on time, and notify your lender or servicer when you move or change your address. Contact your lender or servicer immediately if you start to have problems repaying your loan.
9. **Want additional information or your loan history?** If you would like more information about your student loans, go to the "Federal Direct Loan" section of **The Student Guide** at <http://studentaid.gov>. You can also retrieve your loan history online from the National Student Loan Data System (NSLDS) at <http://www.nsls.ed.gov>.
10. **Notify your Lender/Servicer if you:**

<input type="checkbox"/> Want to make extra payments or pay off early	<input type="checkbox"/> Change schools	<input type="checkbox"/> Change your name or address
<input type="checkbox"/> Drop below half-time (6 credits)	<input type="checkbox"/> Graduate	<input type="checkbox"/> Can't make a payment

Examples of estimated monthly payments and interest paid based on Standard Repayment Plan (10 year loan term):

Amount Borrowed	Estimated Monthly Payment (6.0% interest)	Total Interest Paid (6.0% interest)	Estimated Monthly Payment (6.8%)	Total Interest Paid (6.8% interest)
\$3,500	\$50.00	\$819.00	\$50.00	\$971.00
\$4,500	\$50.00	\$1,493.00	\$50.00	\$1,715.00
\$5,500	\$61.00	\$1,827.00	\$63.00	\$2,095.00
\$8,500	\$94.00	\$2,824.00	\$98.00	\$3,238.00
\$15,000	\$167.00	\$4,984.00	\$173.00	\$5,714.00
\$20,000	\$222.00	\$6,645.00	\$230.00	\$7,619.00
\$23,000	\$255.00	\$7,642.00	\$265.00	\$8,762.00
\$40,000	----	----	\$460.00	\$15,238.00
\$50,000	----	----	\$575.00	\$19,048.00
\$57,500	----	----	\$662.00	\$21,905.00

Examples of estimated monthly payments and interest paid for the Extended Payment Plan and the Graduated Payment Plan: Estimates are based on 6.8% interest. For examples of Income Contingent Repayment, please visit www.finaid.org.

Amount Borrowed	Extended Payment Plan Monthly Payment	Extended Plan Total Interest Paid	Initial Graduated Plan Monthly Payment	Final Graduated Plan Monthly Payment	Graduated Plan Total Interest Paid
\$15,000	\$133.00 (15 yr loan term)	\$8,968.00	\$86.00	\$239.00 (15 yr loan term)	\$11,263.00
\$23,000	\$204.00 (15 yr loan term)	\$13,750.00	\$132.00	\$262.00 (20 yr loan term)	\$16,525.00
\$40,000	\$355.00 (15 yr loan term)	\$23,914.00	\$230.00	\$387.00 (25 yr loan term)	\$49,698.00

Need Help? If you have issues or questions regarding your loans, contact your loan servicer or the PTCC Financial Aid Office. If you are unable to resolve your problems or concerns, contact the Ombudsman at (877) 557-2575 or <http://ombudsman.ed.gov>.