

## **Your Rights And Responsibilities When Accepting An Educational Loan**

Before you receive a loan, you'll sign a Master Promissory Note (MPN), a legal contract between you and the US Department of Education in which you promise to repay the amount you borrow and agree to the loan's terms and conditions. **DO NOT** sign if you don't understand all of your responsibilities and rights.

### **Your rights – You have the right to ask a college or university:**

- What it costs to attend and what its refund policies are if you withdraw from school.
- How the college determines whether you're making satisfactory academic progress and what happens if you're not.
- To disclose the percentage of its students who complete the college's programs and the percentage who transfer out.
- About its accreditation and licensing.
- What financial help is available, including information on all federal, state and college financial aid programs, not just loans.
- About the deadlines for submitting applications for each financial aid program and how recipients are selected.
- How your financial need is determined, including how costs for tuition, fees, housing, food, transportation, books, supplies, personal and miscellaneous expenses are considered in your cost of attendance (COA).
- What income, assets and other factors are considered in your expected family contribution (EFC) calculation, and how much of your financial need, as determined by the college, is met.
- To explain the various elements in your financial aid package, and how and when you'll receive your aid.
- To explain how your financial aid offer was determined.
- How much of your financial aid must be paid back, and what portion is grant or gift aid. If you're offered a loan, you have the right to know the interest rate, the total amount that must be repaid, payback procedures, when repayment begins and how long you have to repay.
- How to be considered for additional aid, if your financial circumstances change.
- About the effect outside scholarships may have on your financial aid award.
- How to reapply for financial aid for subsequent years.
- For its job placement rates—the percentage of students who are placed in jobs relating to their course of study.

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### **Your responsibilities – You have a responsibility to:**

- Research the colleges you're considering. Talk to your high school counselor, as well as current and former students and local employers, if appropriate.
- Consider all information about the college's programs before enrolling.
- Complete the financial aid application accurately and submit it on time to the right place. Intentional misrepresentation on an application for federal financial aid is a crime that may result in penalties, including prison and fines.
- Respond promptly and provide all requested verification documentation, corrections to your financial aid application or additional information to the appropriate place.
- Read and keep copies of all forms and agreements you sign.
- Report in writing to your college financial aid office all additional financial aid resources you receive.
- Know and comply with the deadlines for applications or reapplications for aid, and understand the school's refund procedures.
- Ask your college's financial aid office about jobs if you were awarded work-study or student employment, including the hours you must work, your duties, the pay and how you'll be paid.
- Complete loan entrance counseling before you receive your first loan disbursement—and exit counseling before you leave school.
- Compare your anticipated monthly student loan payments and other expenses to your expected take-home pay after college.
- Understand your school's return-of-aid policy if you receive federal or state financial aid and withdraw from school. You or your school may have to return some of the financial aid money.
- Repay your student loans, even if you don't complete your education, can't get a job or aren't happy with your education.
- Notify your college and lender promptly of changes in your name, permanent mailing address, telephone number, enrollment or marital status, or your financial resources.
- Request a deferment or forbearance, or change repayment plans if you're having trouble making your monthly payments.