

FEDERAL STAFFORD LOAN ENTRANCE INTERVIEW INFORMATION

Education Loans are a serious legal obligation. It is extremely important that you understand your rights and responsibilities. When you, the student borrower, sign this statement it means that you understand your obligations and responsibilities and you agree to honor them.

RIGHTS AND RESPONSIBILITIES

1. Eligibility for receiving Title IV Financial Aid in general and for borrowing under the Federal Stafford Loan program is determined by financial need. To retain eligibility, I understand I must apply for financial aid every year by completing the required forms and submitting them to the designated processors prior to the deadline dates.
2. When I am notified that my Federal Stafford Loan check has arrived, I will report to the Cashier's Window to sign it within 10 days. If my lender participates in *Electronic Funds Transfer* (EFT), the funds will automatically be credited to my student account.
3. If I decide to cancel my Federal Stafford (or Perkins) Loan, I have 14 days from the time the funds are disbursed to cancel without penalty. To cancel my Federal Stafford (or Perkins) Loan I must notify the Financial Aid Office and the Business Office in writing.
4. It is my responsibility to notify the lender of any changes in my name, address, parent's address, (while I am enrolled), enrollment status, or financial condition.
5. I understand that I should carefully read my copy of the original Federal Stafford Loan Promissory Note/ Application and any Addendum to be more aware of my rights and responsibilities.
6. I understand that I must keep a copy of all documents regarding the Federal Stafford Loan program, and all financial aid correspondence.
7. As a first-year undergraduate student, the maximum amount of Federal Stafford Loan funds I can borrow is \$2,625. As a second-year undergraduate student I can borrow up to \$3,500. In the third-, fourth- and fifth-years of undergraduate study, I can borrow a maximum of \$5,500 for each academic year.
8. Insurance and Federal Default fees (up to 4%) will be subtracted from my Federal Stafford Loan disbursement checks by the lender and/or guaranty agency. However, I am responsible for the repayment of the original amount borrowed.
9. I understand that the fixed annual percentage rate will be the finance charge based on the unpaid balance, and that it will begin to accrue six (6) months after I cease to be enrolled as at least a half-time student. The interest rate will be fixed at 6.8%.
10. If all or part of my Federal Stafford Loan is unsubsidized, interest on the unsubsidized portion begins accruing immediately. I may choose to pay this interest in monthly or quarterly payments, or I may choose to have the interest added to the principal of my loan. I understand that if I do capitalize the interest payments, the amount of my loan repayment will increase.

(Continued on the reverse side)



Thirteenth & Bern Streets
PO Box 15234
Reading, PA 19612-5234

Telephone 610-921-7515
Fax 610-921-7729
Email finaid@alb.edu
www.albright.edu

Financial Aid Office

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11. I understand I must maintain satisfactory academic progress every year to continue my eligibility for financial aid in general and specifically for Federal Stafford Loan borrowing. This means I must successfully complete and pass six (6) courses during each academic year of my enrollment at Albright College.
12. If I do not make academic progress during the regular academic year, I may complete coursework during the summer. It is my responsibility to notify the Financial Aid Office if I make academic progress by completing additional coursework.
13. I understand that from the date I withdraw or drop below half-time or graduate, I will have a six-month grace period and will then begin repayment of my loan. The lender will provide a repayment schedule during the grace period, based on the maximum 10 year repayment period. My minimum repayment will be \$50.00 per month.
14. I may prepay my loans in whole or in part at any time without penalty.
15. I may request a deferment of my loan if I meet the requirements, and if I file proper forms for this request (for example, attending graduate school as a full time student).
16. Cancellation of all or part of my loan may be granted for certain types of activities. I accept the responsibility to notify my lender of anything that may entitle me to loan cancellation.
17. Forbearance is not a right, but is a courtesy the lender may extend to me if I am having a difficult time financially making my scheduled payments. For example, the lender and I may make a temporary agreement to allow smaller payments for a short period of time.
18. I must repay my loans even if I do not complete my program, am unable to find employment after graduation, or am dissatisfied with my education.
19. If I withdraw from Albright College, I must attend exit counseling in the Financial Aid Office. If I withdraw before the end of the fifth week of class, my financial aid may be prorated and funds returned to the various federal , state and institutional programs. I may also be entitled to receive a refund of any cash payments I have made. A detailed explanation of Albright College's refund policy is found in the College catalog.
20. I understand that my loan may be sold to another lender or that my lender may have another lender or organization service my loan. This does not change my obligation to repay my loan.
21. If I fail to make timely payments on my loan, my delinquency and/or default will be reported to a credit bureau (which would adversely affect my credit rating and my ability to borrow from any source in the future).
22. If I default on my Federal Stafford Loan, the entire unpaid amount may become due immediately, federal income tax refunds may be seized, wages may be garnished, and no additional federal financial aid will be available.

I HAVE READ AND UNDERSTAND MY RIGHTS AND RESPONSIBILITIES AS A BORROWER AND THE CONSEQUENCES IF I BECOME DELINQUENT OR DEFAULT ON MY EDUCATION LOANS

Signature _____ Date _____ Print Name _____ Social Security Number _____

Personal financial planning as it relates to your financial aid and loan borrowings is available from the Financial Aid Office, Pennsylvania Higher Education Assistance Agency and your lender. This is a critical step in thinking about your future. There are many sources of financial aid available, and each of the grant, loan, college employment, and scholarship programs are regulated by a set of policies and procedures designed by the Federal or State government or by Albright College. A listing of sources of aid can be found in the Albright College catalog and financial aid brochures.