



Policy Title: Loan Entrance\Exit Counseling Policy

Policy Number: FAO.600.5

Policy Owner: VP for Administrative Affairs

Responsible Office: Office of Financial Aid

Date: 12/13/2018

1. Purpose and Scope

The Office of Financial Aid at North American University takes great pride in preparing students ahead of their academic journey of their rights and responsibilities as a student borrower. The purpose of the policy is to ensure the Office of Financial Aid mitigate any risks before borrowers receive student loans, ensure borrowers understand financial obligations for repayment, and provides consistent information to all borrowers who seek financial aid assistance.

2. Policy

This policy details the counseling and advising efforts of the Office of Financial Aid in managing and guiding students with financial options on their academic journey. Before the start of each semester the Office of Financial Aid has an initial meeting to counsel students on their financial aid options and obligations for repayment prior to loan disbursement. And at the end of their education at NAU (with or without graduation), the Office of Financial Aid has a final meeting to council students about their balance, rate, contact info, sample repayment schedule and the timeframe of repayment.

3. Procedures

The Office of Financial Aid is responsible for providing counseling to help students understand the significance of borrowing a student loan to help fund their education. During the initial meeting with a Financial Aid Advisor, each student is given student loan handouts which detail current federal loan limits and interest rates, estimates monthly repayment amounts and describes the consequences of default. Students receive counseling to understand the federal student loan process and are advised with an emphasis on responsible borrowing and the expectation of repayment. The Office of Financial Aid will make available Federal Student Aid publications provided by the U.S. Department of Education to aid in its counseling efforts.

It is the responsibility of the Office of Financial Aid to provide instructions on completing the Loan Entrance\Exit Counseling process for students that wish to request loans and to ensure this requirement, along with the Master Promissory Note, has been completed prior to loan disbursement each semester.

4. Who Should Read This Policy

- Financial Aid Office
- Business Office
- Students

5. Related Documents and References

- Student Handbook
- Academic Catalog
- FAO.600.6
- FAO.600.7

6. History

- 12/13/2018