

**Policy Title:** Student Debt Counseling Policy  
**Policy Number:** FAO.600.05  
**Policy Owner:** Financial Aid Coordinator  
**Responsible Office:** Office of Financial Aid  
**Revision Date:** 02/24/2026



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## 1. Purpose and Scope

The Student Debt Counseling Policy provides guidelines for the Office of Financial Aid in tracking all current and former borrowers. This policy ensures that borrowers are placed on an appropriate loan repayment plan and understand their responsibilities at both the beginning and end of the loan term. It also supports students in making informed borrowing and repayment decisions, minimizing over-borrowing, and improving their overall financial well-being.

## 2. Policy

The Office of Financial Aid is responsible for counseling students on federal aid services, tracking borrowers, and monitoring entrance and exit counseling completion. The Office of Financial Aid will review the National Student Loan Data System (NSLDS) frequently and document the student's financial aid file. The Office of Financial Aid is responsible for counseling students on federal aid services, tracking borrowers, and monitoring entrance and exit counseling completion.

## 3. Procedures

Students are required to complete an Entrance Counseling session to ensure they understand the responsibilities and obligations associated with receiving a federal student loan. In addition, borrowers must complete a Master Promissory Note (MPN), which serves as a legal agreement to repay their loan(s) in the future. NAU also recommends that students complete the Annual Student Loan Acknowledgment each year they accept a new federal student loan to help them understand their borrowing and how it may affect their financial future. Additionally, the Office of Financial Aid Advisors are available during normal working hours—via phone, email, or virtual meetings—to assist any student with loan questions or financial counseling.

Upon graduation, withdrawal, or enrollment in less than half-time status, borrowers will be notified to complete Exit Counseling. This allows them to review in detail the repayment options available and select an appropriate repayment plan. Students are provided with a tailored document that outlines their total amount borrowed, identifies their loan servicer along with contact information, and explains how to avoid falling into student loan default.

The Office of Financial Aid monitors the completion of all counseling sessions through the Common Origination and Disbursement (COD) system and documents this information in the student's financial aid file. Students are required to begin loan repayment at the conclusion of their six-month grace period. Borrowers are considered delinquent when they fail to make the minimum required payment by the scheduled due date.

The Office of Financial Aid reviews delinquency reports provided by the National Student Loan Data System (NSLDS) to track borrowers at various stages of repayment. Delinquent borrowers will be contacted via phone, letter, and/or email every sixty days to remind them to make the appropriate payment and to advise them of available options to avoid defaulting on their student loans. Customized letters will be emailed to borrowers based on their current stage of delinquency to provide appropriate guidance and reduce the risk of default.

By offering borrowers timely, relevant, and stage-specific recommendations, the Office of Financial Aid equips them with the information needed to bring their accounts back into good standing and ultimately avoid loan default.

**4. Who Should Read This Policy**

- Financial Aid Office
- Business Office
- Students

**5. Related Documents and References**

- [Student Handbook](#)
- [Academic Catalog](#)
- [Annual Student Loan Acknowledgement for Federal Student Loans](#)
- [Entrance Counseling](#)
- [Master Promissory Note](#)

**6. History**

- Creation date: 12/13/2018
- Revision date: 01/03/2024
- Revision date: 02/24/2026

**7. Policy Approval**

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Revision Editor	Date
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Assoc. Dean for Institutional Effectiveness & Planning	Date
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VP for Finance, CFO	Date
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President, CEO	Date

