



**Policy Title:** Student Debt Counseling Policy

**Policy Number:** FAO.600.7

**Policy Owner:** VP for Administrative Affairs

**Responsible Office:** Office of Financial Aid

**Date:** 12/13/2018

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### 1. Purpose and Scope

The Student Debt Counseling Policy provides guidelines for the Office of Financial Aid in keeping track of all current and graduate borrowers. This policy is to ensure the borrower is scheduled on a loan repayment plan and understands all responsibilities during the beginning and end of the loan term.

### 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.

### 3. Procedures

Students are required to complete an Entrance Counseling session to ensure they understand the responsibilities and obligations of requesting a federal student loan. In addition, borrowers are also required to complete a Master Promissory Note which acts as a legal agreement to repay their loan(s) in the future. Students are also encouraged to complete Financial Literacy workshops, which provides additional tools to help them manage their finances.

#### Master Promissory Note

Prior to requesting additional loans, students are asked to view their Financial Aid Review via NSLDS to see their current student loan balance and grant history. Reviewing their loan history will help students keep track of their debt level and promote responsible borrowing for the future.

Upon graduation, withdrawal or enrollment of less than half-time status, borrowers will be notified to complete Exit Counseling, to allow them to review in detail the repayment options available and select a repayment plan at that time. Updated contact information will be requested from these students to aid in future communication post enrollment. The Office of Financial Aid monitors the completion of each type of counseling session via the Common Origination and Disbursement (COD) system and documents it 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 after failing to make the minimum required payment by the expected due date. The Office of Financial Aid will monitor the delinquency reports provided by NSLDS to track borrowers at the various stages of repayment. Delinquent borrowers will be contacted via phone, letter, and/or email every sixty days about making the appropriate payment and to advise them on the options available to avoid defaulting on their student loans. The Office of Financial Aid will utilize online resources to offer personalized and reader-friendly material specifically designed for each stage of delinquency.

The Office of Financial Aid is responsible for providing information on Loan Entrance/Exit Counseling and monitoring completion, tracking borrowers at the various stages of repayment and contacting delinquent borrowers to avoid loan default.

**4. Who Should Read This Policy**

- Financial Aid Office
- Business Office
- Students

**5. Related Documents and References**

- Student Handbook
- Academic Catalog
- Master Promissory Note
- FAO.600.5
- FAO.600.6

**6. History**

- 12/13/2018