



EXIT COUNSELING GUIDE

For Direct Loan Borrowers



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FEDERAL STUDENT AID™

EXIT COUNSELING GUIDE

for Direct Loan Borrowers

CONTENTS

Contacts for Your Direct Loans	1
Money Management	2
Repaying Your Loan	4
Payment of Interest & Capitalization	6
Avoiding Delinquency & Default	7
Deferment & Forbearance (Postponing Payments)	7
Conditions for Cancelling All or Part of Your Loan	9
Loan Consolidation	10
Notepad	11
Student Contact Information	Tear out
Rights and Responsibilities Summary Checklist	Tear out

*This guide provides a general overview of information that you will need to successfully repay the Direct Subsidized and Unsubsidized Loans that you've received to help pay for your college costs. For more detailed information about any of the topics covered in this guide, see your Master Promissory Note or your copy of the **Borrower's Rights and Responsibilities Statement**. Much of the information in this booklet is a part of exit counseling, which you must complete when you leave school. You may also take exit counseling on the Web—but check with your school to see if it requires its students to attend exit counseling sessions in person.*

Throughout this guide, the words "we," "us," and "our" refer to the U.S. Department of Education.

CONTACTS FOR YOUR DIRECT LOANS

Direct Loan Servicing Center:
800-848-0979 or
(TDD) 800-848-0983

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 5609
Greenville, TX 75403-5609

Call the Servicing Center for all of your Direct Loan needs—especially if you're having trouble repaying your loan or if you need to report a change of address or name change.

Direct Loans on the Web:
www.dl.ed.gov

You can use this Web site to look up your account information, request a deferment, make online payments, set up automatic payments, change your billing options, etc. You will need to use your Personal Identification Number (PIN) to see your account information. Most students receive their PINs in a separate mailing after they first apply for aid. If you can't find your PIN, you can request a new one at Direct Loans on the Web. (Direct Loans are also reported to the National Student Loan Data System, which may be viewed at www.nsls.ed.gov and includes your financial aid history for other federal student aid programs.)



In most cases, the loans that you received were made under a Master Promissory Note (MPN). If your school used the multi-year feature of the MPN, your loans may have been made under a single MPN. The MPN is a legally binding agreement and contains the terms and conditions of your loans. You should keep the MPN and any other loan documents in a safe place. An MPN can generally be used for multiple loans for up to 10 years, so if you return to school later, you may be able to receive additional loans without signing a new MPN.



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Money Management

Money management is just as important after you leave school as when you were attending. But your income will now come from work earnings rather than from student aid, and you'll probably have some different expenses when you start your new job. The following tips will help you manage your money so that you can meet your household expenses and keep making on-time loan payments. In the process, you will be establishing a good credit rating, which is a key to your financial independence.

(1) Use the notepad on page 11 to develop a budget that includes items like rent, car payments, utility bills, food, clothing, insurance and entertainment, so you have an accurate picture of your monthly expenses (in addition to your loan payments).

It's easy to underestimate or overlook some of these expenses, so you may want to round each of your estimated costs up. If your income is less than your expenses, you'll need to find ways to cut your expenses. If you find you just can't make the loan payments, check **Direct Loans on the Web** or call the Servicing Center to see if you qualify for deferment or forbearance.

(2) As a borrower, know your student loan rights and responsibilities.

Make sure to apply for a deferment if you're going back to school or are eligible for an unemployment or economic hardship deferment. (See the discussion of deferments and forbearance in this guide.) Keep the Direct Loan Servicing Center informed of your address, phone number and other information, and contact the Center if you're having trouble making payments. Keep your loan paperwork in a safe place, including your promissory note, disclosure notices, and billing statements. Remember, talk to the Direct Loan Servicing Center when you have questions or concerns.

(3) Make the most of your grace period.

Each of your Direct Subsidized and Unsubsidized Loans has a 6-month grace period, and you don't have to start making payments until it ends. Your grace period is an excellent time to get your finances in order. If you are working, you can use the grace period to get a head start on repaying your loans. By making some payments during the grace period, you can reduce the interest costs for your loan. These payments don't have to be set monthly amounts—you can choose to prepay some of your loan or just to pay the interest that is charged on any of your loans that are unsubsidized.



We report student loan information to national credit agencies. If you do not want these credit agencies to release your contact information to banks or other companies, which might use it for bulk mail or telephone offers, call the credit reporting industry's "Opt-Out" number at 1-888-567-8688.



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(4) Pay the interest that accrues on your loans during periods when you aren't required to make loan payments.

If you pay the interest that is charged during the grace period and any periods of deferment and forbearance, it may save you a significant amount of money over the life of the loan. Start by making your interest payments a budget priority. Remember that paying a little more each month can save you many dollars later.

(5) Understand and limit credit card use.

Credit cards are one form of borrowing money, but they often carry a very high interest rate. Many credit cards give you a low interest rate for the first few months and then raise the rate after this initial period. If you decide you need a credit card, it's best to stick with one card with a low limit. Pay off your total balance each month. If that is not possible, always pay more than the minimum. If you make a payment late (even a day late!), you may have to pay a finance charge, and your interest rate may go up.

Repaying Your Loan

You may need some time to find the right job and perhaps move to a new place. The good news is that you won't have to start making payments on your loan right after you leave school. Each of your Direct Subsidized and Unsubsidized Loans has a 6-month grace period that starts the day after you stop attending school or you drop below half-time enrollment. You don't have to make payments during this grace period.

The Direct Loan Servicing Center will notify you of the date your first payment is due, and send billing notices to the address that it has on file. However, you must make payments on your loans even if you do not receive a bill or repayment notice.

You may choose one of the following repayment plans to repay your loan. If you don't choose a repayment plan, we will place you on the Standard Repayment Plan. You can change repayment plans at any time after you begin repaying your loan.

Standard Repayment Plan — You will make fixed monthly payments and repay your loan within 10 years from the date the loan entered repayment (not including periods of deferment or forbearance). Your payments must be at least \$50 a month and will be more if that is necessary to repay the loan within the required time period.

Extended Fixed Repayment or Extended Graduated Repayment Plan — You will make fixed or graduated monthly payments and repay your loan in full over time, **not to exceed 25 years** (not including periods of deferment or forbearance).

Graduated Repayment Plan — Your payments will be lower at first and will then increase, usually every 2 years. You must repay your loan **in full within 10 years** (not including periods of deferment or forbearance). At a minimum, your payments must cover the interest that accumulates on your loan between payments.



If you are a reservist called to active duty for more than 30 days, be sure to contact the Direct Loan Servicing Center to let us know your status. The time you serve generally doesn't count against your grace period —see your copy of the *Borrower's Rights and Responsibilities Statement*.



To be eligible for either Extended Repayment Plan, you must be a new borrower* on or after Oct. 7, 1998, and you must have more than \$30,000 in outstanding Direct Loans.

* You received your first Direct Loan on or after this date, or had no outstanding Direct Loan balance when you took out your first loan after this date.



Things to consider

You may be tempted to go with the easiest repayment terms right out of school, and you may end up paying for that decision. Extending the repayment period or reducing payments while your loan principal is high will significantly increase your interest costs. There is no penalty if you make loan payments before they are due or pay more than the amount due each month. We apply your payments and prepayments in the following order: (1) late charges and collection costs first; (2) outstanding interest second; and (3) outstanding principal last.

Income Contingent Repayment Plan (not available for PLUS Loans) — Your monthly payment amount will be based on your annual income (and that of your spouse if you are married), your family size, and the total amount of your Direct Subsidized and Unsubsidized Loans. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that has accrued on your loan, unless you request a forbearance. As your income changes, your payments may change. If the loan isn't fully repaid after 25 years under this plan, the unpaid portion will be forgiven. You may have to pay income tax on any amount forgiven.

You can get more information about these plans and also calculate your estimated repayments under each plan by going to **Direct Loans on the Web**.

If you have a loan balance of \$10,000 or less and a job right out of school, you may want to go with the Standard Repayment Plan. If you've borrowed more than \$10,000 and your starting salary is relatively low, it might be a good idea to choose the

Graduated or Income Contingent Repayment plan. But remember: you are likely to pay more interest with these plans. You can use the charts at the end of this guide to estimate the monthly and total amounts you would repay under these plans. If you have exceptional circumstances that aren't met by these repayment plans, contact the Direct Loan Servicing Center—we may be able to provide you with an alternative repayment plan.



Simplify your life and save money, too!

Sign up to make your loan payments electronically and we'll knock 0.25% off your interest rate while you repay under this option! When we send your first bill, we'll tell you how to sign up for an Electronic Debit Account (EDA) and have your bank automatically make your monthly loan payments for you. You won't have to write checks, use stamps or worry if the payment will get to us by the due date. (You can also find out about EDA at Direct Loans on the Web, or by calling the Servicing Center.)

Payment of Interest & Capitalization

The interest rate on your Direct Loan will be fixed or variable, depending on the loan's first disbursement date. *If your loan was first disbursed on or after July 1, 2006*, your interest rate will be fixed at 6.8%. Fixed interest rates are just that: one rate set for the life of the loan. *If your loan was first disbursed before July 1, 2006*, the interest rate is a variable rate that is adjusted each year on July 1. Your monthly payments may increase or decrease depending on the interest rate for that year (the maximum interest rate is 8.25%). We will notify you each year—usually in June—of the interest rate and any changes to your monthly payments for each of your Direct Loans.

We do not charge interest on *subsidized* loans while you are enrolled at least half-time, during your grace period, and during deferment periods. We charge interest on a Direct Subsidized Loan during all other periods (starting on the day after your grace period ends), including forbearance periods.

We charge interest on *unsubsidized* loans during all periods (starting on the day your loan is disbursed). Therefore, you will pay more interest on an unsubsidized loan than on a subsidized loan.

If you choose not to pay the interest that accrues during periods when you're not required to make loan payments, we will add the unpaid interest to the unpaid principal amount of your loan. This is called "capitalization." Capitalization increases the total amount you will have to repay, because you'll have to pay interest on this higher principal balance.

To give you an example, if you get a one-year deferment on repaying \$15,000 in unsubsidized loans and choose to capitalize the interest that accrues over that year, at the end of the deferment instead of paying the interest as it accrues, your monthly payments will be \$11 higher and the total amount you repay over a 10-year repayment period under the Standard Repayment Plan will be \$389 more (based on an interest rate of 6.8%). To get a better idea of how capitalization would affect your payments, use the interest calculator at **Direct Loans on the Web**.



Depending on your income level, you may be able to deduct some or all of the interest that you pay on your Direct Loans. See IRS Publication 970 (available at www.irs.ustreas.gov).



You are not responsible for paying the interest on subsidized loans during a period of deferment. However, you are responsible for paying the interest on your *unsubsidized* loans during a period of deferment. You are responsible for paying the interest on both *subsidized* and unsubsidized loans during a period of forbearance.

Avoiding Delinquency & Default

If you think you might have a problem making the scheduled payments on your loans, contact the Direct Loan Servicing Center immediately to discuss other repayment plan options and whether you are eligible for a deferment or a forbearance.

You are delinquent if your monthly payment is not received by the due date. If you fail to make a payment, we'll send you a reminder that your payment is late. If your account remains delinquent, we'll send you warning notices reminding you of your obligation to repay your loans and the consequences of default. Late fees may be added, and your delinquency will be reported to one or more national credit agencies.

Default occurs when you become 270 days delinquent in making payments on your loans. If you default:

- ▶ The *entire* unpaid amount of your loan becomes *due and payable*.
- ▶ We will *report* your default to *national credit agencies*.
- ▶ We may *sue* you, *take* all or part of your *federal tax refund* or other federal payments, and *garnish* your *wages* so that your employer is required to send us part of your salary to pay off your loan.
- ▶ You'll have to pay collection fees and costs, plus court costs and attorney fees.
- ▶ You'll lose eligibility for other federal student aid and most other federal benefit programs.
- ▶ You'll no longer be eligible for loan deferments (such as deferments while you're in school, unemployed, or experiencing economic hardship).

Deferment & Forbearance (Postponing Payments)

In some cases, you can get a **deferment** that allows you to temporarily stop making payments on your loan. You may receive a deferment while you are:

- ▶ Enrolled at least half-time at an eligible school, or studying full-time in a graduate fellowship program or an approved disability rehabilitation program.
- ▶ Unemployed or experiencing economic hardship.*
- ▶ Serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency. This deferment is available only for Direct Loans first disbursed on or after July 1, 2001.*

* Deferment limited to a total of 3 years.



You may be eligible to receive additional deferments if you received a federal student loan before July 1, 1993. Check your copy of the *Borrower's Rights and Responsibilities Statement* for details on these older deferments.

In most cases, you need to submit a deferment request to the Direct Loan Servicing Center along with documentation of your eligibility for the deferment. Visit Direct Loans on the Web for more deferment information and forms, or call the Servicing Center for assistance. If you've gone back to school and the Servicing Center receives enrollment information that shows you're enrolled at least half-time, the Servicing Center will automatically put your loans into deferment and notify you. (You have the option of cancelling the deferment and continuing to make payments on your loan.)

If you are in default on your loan, you are not eligible for a deferment.

If you can't make your scheduled loan payments, but don't qualify for a deferment, we may be able to give you a forbearance. A **forbearance** allows you to temporarily stop making payments on your loan, temporarily make smaller payments, or extend the time for making payments. Some common reasons for getting a forbearance are illness, financial hardship or serving in a medical or dental internship or residency. (See your copy of the *Borrower's Rights and Responsibilities Statement* for more examples. You can get more information and forbearance forms from **Direct Loans on the Web** or by calling the Direct Loan Servicing Center.)

Under certain circumstances, we can automatically give you a forbearance. For instance, we may give you a forbearance while we're processing a deferment, forbearance, cancellation, change in repayment plan or consolidation, or if you're involved in a military mobilization or a local or national emergency.



Some borrowers are eligible for an "up-front interest rebate"—the notice we send you will tell you if you received the rebate.

To keep an interest rebate, you must make all of your first 12 monthly payments on time when your loan enters repayment. If you lose the rebate, we will add the rebate amount back to your loan balance.



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Conditions for Cancelling All or Part of Your Loan

If you are a new borrower* and are a **full-time teacher in a low-income elementary or secondary school** for 5 consecutive years, you may be able to have as much as \$17,500 of your subsidized or unsubsidized loans cancelled. See our “Stafford Loan Forgiveness Program for Teachers” brochure or contact the Direct Loan Servicing Center for more information.

In certain cases, you may be able to have all or a part of your loan cancelled because:

- ▶ Your school closed before you completed your program.
- ▶ Your school forged your signature on your promissory note or falsely certified that you were eligible to get the loan.
- ▶ Your loan was falsely certified because of identity theft.
- ▶ You withdrew from school but the school didn't pay a refund that it owed under its written policy or our regulations. Check with the school to see how refund policies apply to federal aid at the school.

In general, you must repay your loan even if you don't graduate, can't find work in your field of study, or are dissatisfied with the education program.

Your loan may be discharged if you are determined to be **totally and permanently disabled** and you meet certain requirements during a 3-year conditional discharge period. To apply for this discharge, you must provide a physician's statement that you became totally and permanently disabled after the loan was made. See your copy of the *Borrower's Rights and Responsibilities Statement* for more information on the procedures and conditions for this discharge.

Your loan may be cancelled if it is discharged in **bankruptcy**. This is not an automatic process—you must prove to the bankruptcy court that repaying the loan would cause undue hardship.

The last provision is cancellation for **death**. To cancel the loan, a family member or other representative must provide an original or certified copy of the death certificate to the Direct Loan Servicing Center.

Go to **Direct Loans on the Web** or call the Servicing Center for more information or to get a cancellation form. You can also find more information in your copy of the *Borrower's Rights and Responsibilities Statement*.

* You are considered a new borrower if you did not have an outstanding balance on an FFEL or Direct Loan on Oct. 1, 1998, or on the date you obtained an FFEL or Direct Loan after Oct. 1, 1998.

Loan Consolidation

There may be advantages to consolidating (combining) your federal student loans into one loan, starting with the convenience of making a single monthly payment. Consolidation generally extends the repayment period, resulting in a lower monthly payment. This may make it easier for you to repay your loans. However, you will pay more interest if you extend your repayment period through consolidation. Contact the Direct Loan Consolidation Center for more information about loan consolidation at 1-800-557-7392, or TTD for the hearing-impaired at 1-800-557-7395. The Direct Loan Consolidation Web site also has an online calculator that you can use to find out how much you'll pay each month if you consolidate.

Go to: loanconsolidation.ed.gov



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The Federal Student Aid Ombudsman works with federal student loan borrowers to resolve loan disputes or problems from an impartial, independent viewpoint. If you have a problem with a federal student loan, you should contact the holder of the loan (for Direct Loans, contact the Direct Loan Servicing Center) and try to resolve the problem. If you can't resolve the problem with the loan holder, contact the Federal Student Aid Ombudsman at **877-557-2575** or **www.ombudsman.ed.gov**

NOTEPAD

Student Loans

Total amount borrowed:

Expected start of repayment:

Contact Info

Direct Loan Servicing Center
P.O. Box 5609
Greenville, TX 75403-5609
800-848-0979 or (TDD) 800-848-0983
www.dl.ed.gov

Job Resources

Occupational Outlook Handbook –
average current salaries in different
career fields
www.bls.gov/oco

America's Job Bank –
listings for current jobs
www.ajb.org

Reminders

- ▶ You will receive a sample **monthly repayment schedule** based on the total amount that you borrowed from the Direct Loan Program. (This will either be given to you as a part of exit counseling, or mailed to you.) Of course, you can get an estimate of your loan payments at any time by using the repayment calculator on **Direct Loans on the Web**.
- ▶ Your school will need to get contact information when you leave school: your expected permanent address (where you plan to live after you leave school); the address of your next of kin; and the name and address of your expected employer (if you have a job lined up).

Monthly Budget

Estimated monthly
loan payment:

Rent or mortgage
payment:

Utilities:
(gas, electric, phone, cable)

Transportation:
(car payments, gas)

Groceries:

Entertainment/
dining out:

Average allowance for
non-monthly expenses:
(car & health insurance,
clothing, vacation, car &
home repairs and other
unpredictable expenses)

Total expenses:

ESTIMATED
MONTHLY SALARY:

- ▶ You are required to notify the **Direct Loan Servicing Center** if you change your name, address, telephone number, or employer (or if your employer's address or telephone number changes), or if you have any change in status that would affect your loan (for instance, you no longer meet the eligibility requirements for a deferment). This is essential—one of the most common reasons a loan goes into default is because the borrower fails to report these kinds of changes.

Estimated Direct Loan Repayment Amounts, by Type of Repayment Plan and Debt Amounts.¹

(Use This Table For Loans First Disbursed On or After July 1, 2006.)

Initial Debt When You Entered Repayment	Standard		Extended ^{2,3} (fixed)		Graduated		Income Contingent ^{5,6} Income = \$15,000	
	Per Month	Total	Per Month	Total	Per ⁴ Month	Total	Single	
							Per Month	Total
3,500	50	4,471	Not Available		25	5,157	21	6,939
5,000	58	6,905	Not Available		40	7,278	30	9,912
5,500	63	7,595	Not Available		43	8,007	33	10,903
7,500	86	10,357	Not Available		59	10,919	45	14,868
10,500	121	14,500	Not Available		83	15,283	64	20,815
15,000	173	20,714	Not Available		119	21,834	87	29,685
18,500	213	25,548	Not Available		146	26,929	87	35,992
23,000	265	31,762	Not Available		182	33,479	87	43,141
30,000	345	41,429	Not Available		237	43,668	87	52,340
40,000	460	55,239	277	83,289	316	58,229	87	62,005
46,000	529	63,524	319	95,782	363	66,956	87	66,084
50,000	575	69,048	347	104,111	395	72,778	87	68,153
60,000	690	82,858	391	140,816	474	87,334	87	71,219
70,000	806	96,667	456	164,285	535	101,890	87	71,721
80,000	920	110,477	522	187,754	632	116,445	87	71,721
90,000	1,036	124,287	587	211,224	711	131,002	87	71,721
100,000	1,151	138,096	652	234,693	790	145,556	87	71,721
110,000	1,266	151,906	717	258,162	869	160,111	87	71,721
120,000	1,381	165,716	782	281,632	948	174,668	87	71,721
130,000	1,496	179,525	848	305,101	1,024	189,224	87	71,721
138,500	1,594	191,264	903	325,050	1,094	201,596	87	71,721

1 The payments were estimated using the fixed interest rate of 6.80% for loans made to students on or after July 1, 2006.

2 This repayment plan is available to borrowers who had no outstanding balance on a Direct Loan on Oct. 7, 1998, or on the date the borrower obtained a Direct Loan on or after Oct. 7, 1998, and if the borrower has an outstanding Direct Loan balance that exceeds \$30,000.

3 These amounts are fixed, rounded to the nearest dollar and calculated based on a 25-year repayment term.

4 This is your beginning payment, which may increase during a 10-year repayment term.

5 Assumes a 5% annual income growth (U.S. Census Bureau).

6 The estimated payments were calculated using the formula requirements in effect during 2006.

7 HOH is Head of Household; assumes a family size of two.

Income Contingent ^{5, 6} Income = \$15,000		Income Contingent ^{5, 6} Income = \$25,000				Income Contingent ^{5, 6} Income = \$45,000			
Married/HOH ⁷		Single		Married/HOH ⁷		Single		Married/HOH ⁷	
Per Month	Total	Per Month	Total	Per Month	Total	Per Month ²	Total	Per Month	Total
20	6,673	27	6,092	25	6,405	36	5,128	36	5,128
29	9,533	38	8,703	36	9,150	51	7,326	51	7,326
30	10,463	42	9,574	40	10,065	56	8,059	56	8,059
30	14,019	57	13,055	54	13,725	76	10,989	76	10,989
30	18,877	80	18,277	76	19,215	107	15,385	107	15,385
30	25,229	114	26,110	108	27,451	153	21,978	153	21,978
30	29,465	140	32,203	134	33,856	188	27,106	188	27,106
30	34,128	174	40,036	166	42,091	234	33,699	234	33,699
30	39,756	228	52,221	197	55,743	407	43,956	407	43,956
30	44,827	253	72,717	197	84,352	468	58,608	468	58,608
30	46,378	253	89,828	197	105,472	509	67,399	509	67,399
30	46,860	253	103,268	197	111,575	587	73,260	587	73,260
30	46,934	253	136,615	197	124,085	587	88,251	587	88,251
30	46,934	253	148,551	197	133,106	587	106,551	587	106,551
30	46,934	253	157,373	197	138,907	587	128,146	587	128,146
30	46,934	253	163,227	197	141,925	587	152,967	587	152,967
30	46,934	253	166,457	197	142,386	587	181,224	587	181,224
30	46,934	253	167,172	197	142,386	587	213,485	587	213,485
30	46,934	253	167,172	197	142,386	587	250,281	587	250,281
30	46,934	253	167,172	197	142,386	587	292,313	587	292,313
30	46,934	253	167,172	197	142,386	587	332,912	587	332,912

For more customized estimates, use the Direct Loan Servicing Center's online repayment calculator at: www.dl.ed.gov

Estimated Direct Loan Repayment Amounts, by Type of Repayment Plan and Debt Amounts.¹

(Use This Table For Loans First Disbursed Before July 1, 2006.)

Initial Debt When You Entered Repayment	Standard		Extended ^{2,3} <small>(fixed)</small>		Graduated		Income Contingent ^{5,6} Income = \$15,000	
	Single							
	Per Month	Total	Per Month	Total	Per ⁴ Month	Total	Per Month	Total
3,500	50	4,790	Not Available		24	5,626	23	7,473
5,000	61	7,359	Not Available		43	7,831	33	10,676
5,500	67	8,095	Not Available		47	8,613	36	11,744
7,500	92	11,039	Not Available		65	11,743	49	16,014
10,500	129	15,454	Not Available		90	16,442	69	22,240
15,000	184	22,077	Not Available		129	23,489	87	31,845
18,500	227	27,229	Not Available		159	28,971	87	38,371
23,000	282	33,852	Not Available		198	36,015	87	45,681
30,000	368	44,155	Not Available		259	46,977	87	54,919
40,000	491	58,873	315	94,614	345	62,636	87	64,248
46,000	564	67,704	363	108,806	396	72,029	87	67,957
50,000	613	73,592	394	118,268	431	78,294	87	69,674
60,000	736	88,310	473	141,921	517	93,953	87	71,721
70,000	859	103,028	552	165,575	603	109,611	87	71,721
80,000	981	117,747	631	189,228	689	125,268	87	71,721
90,000	1,104	132,465	710	212,882	776	140,928	87	71,721
100,000	1,227	147,183	788	236,535	862	156,587	87	71,721
110,000	1,349	161,901	867	260,189	948	172,246	87	71,721
120,000	1,472	176,620	946	283,842	1,034	187,903	87	71,721
130,000	1,594	191,338	1,025	307,496	1,120	203,562	87	71,721
138,500	1,699	203,849	1,092	327,601	1,194	216,872	87	71,721

1 The payments were estimated using the maximum interest rate of 8.25% for loans made to students before July 1, 2006.

2 This repayment plan is available to borrowers who had no outstanding balance on a Direct Loan on Oct. 7, 1998, or on the date the borrower obtained a Direct Loan on or after Oct. 7, 1998, and if the borrower has an outstanding Direct Loan balance that exceeds \$30,000.

3 These amounts are fixed, rounded to the nearest dollar, and calculated based on a 25-year repayment term.

4 This is your beginning payment, which may increase during a 10-year repayment term.

5 Assumes a 5% annual income growth (U.S. Census Bureau).

6 The estimated payments were calculated using the formula requirements in effect during 2006.

7 HOH is Head of Household; assumes a family size of two.

Income Contingent ^{5,6} Income = \$15,000		Income Contingent ^{5,6} Income = \$25,000				Income Contingent ^{5,6} Income = \$45,000			
Married/HOH ⁷		Single		Married/HOH ⁷		Single		Married/HOH ⁷	
Per Month	Total	Per Month	Total	Per Month	Total	Per Month ²	Total	Per Month	Total
22	7,188	29	7,003	27	7,546	38	5,523	38	5,524
30	10,252	41	10,004	39	10,781	55	7,890	55	7,891
30	11,242	45	11,004	43	11,859	60	8,679	60	8,680
30	15,000	61	15,006	58	16,171	82	11,835	82	11,837
30	20,093	86	21,008	82	22,639	115	16,570	115	16,571
30	26,691	123	30,012	117	32,342	164	23,671	164	23,673
30	31,040	151	37,014	144	39,888	203	29,194	203	29,197
30	35,726	188	46,018	179	49,591	252	36,295	252	36,299
30	41,224	245	60,023	197	68,405	329	47,341	329	47,347
30	45,753	253	89,910	197	100,649	438	63,122	438	63,129
30	46,821	253	118,432	197	110,900	504	72,590	504	72,598
30	46,954	253	153,660	197	116,818	548	78,902	530	79,254
30	46,954	253	161,297	197	128,678	587	96,763	530	100,402
30	46,954	253	165,756	197	136,590	587	120,347	530	127,475
30	46,954	253	167,173	197	141,090	587	149,458	530	160,882
30	46,954	253	167,173	197	142,386	587	184,612	530	202,316
30	46,954	253	167,173	197	142,386	587	227,644	530	254,297
30	46,954	253	167,173	197	142,386	587	280,804	530	301,776
30	46,954	253	167,173	197	142,386	587	333,354	530	312,893
30	46,954	253	167,173	197	142,386	587	343,125	530	321,455
30	46,954	253	167,173	197	142,386	587	349,345	530	326,899

For more customized estimates, use the Direct Loan Servicing Center's online repayment calculator at: www.dl.ed.gov

STUDENT CONTACT INFORMATION

I have attended exit counseling for Direct Subsidized Loan and Direct Unsubsidized Loan borrowers. I understand that I must repay my loan according to the terms of my promissory note.

Student Information Section (Please print clearly.)

Name (last, first, middle initial)

Social Security Number

Date of Birth

Expected Permanent Address (street, city, state, zip code)

Home Area Code/Telephone Number

Driver's License (state and number)

Write N/A if you do not know the information requested for your expected employer.

()

Expected Employer (after leaving school)

Expected Employer's Area Code/Telephone Number

Expected Employer's Address (street, city, state, zip code)

You must list your next of kin with a U.S. address different from yours, who will know your whereabouts for at least 3 years.

1.

Name

Street Address

City, State, Zip Code

Area Code/Telephone Number

References: You must list 2 persons with different U.S. addresses, who will know your whereabouts for at least 3 years.

1.

Name

Street Address

City, State, Zip Code

Area Code/Telephone Number

Student's Signature

2.

Name

Street Address

City, State, Zip Code

Area Code/Telephone Number

Date

This page can be used to update your contact information at the Direct Loan Servicing Center. Your school is required to update this information with the Servicing Center after you've completed exit counseling. You are also required to notify the Servicing Center of any changes to this information after you leave school.

U.S. Department of Education • Direct Loan Servicing Center • P.O. Box 5609 • Greenville, TX 75403-5609
800-848-0979 • www.dl.ed.gov

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Rights and Responsibilities Summary Checklist—Exit Counseling

I understand that I have a right to the following (check all boxes that apply):

- Written information on my loan obligations and information on my rights and responsibilities as a borrower
- A grace period and an explanation of what this means
- A disclosure statement, received before I begin to repay my loan, that includes information about interest rates, fees, the balance I owe, and the number of payments
- Deferment of repayment or forbearance for certain defined periods, if I qualify and if I request deferment or forbearance
- Prepayment of my loan in whole or in part anytime without an early-repayment penalty
- A copy of my MPN either before or at the time my loan is disbursed
- Documentation that my loan is paid in full

I understand I am responsible for:

- Completing exit counseling before I leave school or drop below half-time enrollment
- Repaying my loan even if I do not complete my academic program, I am dissatisfied with the education I received, or I am unable to find employment after I graduate
- Notifying the Direct Loan Servicing Center if I:
 - Move/change my address;
 - Change my telephone number;
 - Change my name; or
 - Change employers or my employer's address or telephone number changes
- Making monthly payments on my loan after my grace period ends, unless I have a deferment or a forbearance
- Notifying the Direct Loan Servicing Center of anything that might alter my eligibility for an existing deferment or forbearance

I have received exit counseling materials for Direct Subsidized Loan and Direct Unsubsidized Loan borrowers. I have read and I understand my rights and responsibilities as a borrower. I understand that I have a loan from the federal government that must be repaid.

Student's Name (Please Print)

Student's Social Security Number

Student's Signature

Date

Your school may ask you to complete and sign this checklist to document that you completed exit counseling.

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