

Terms & Conditions under Which Students Receive Federal Student Aid Loans

Students who receive loans have terms and conditions associated with these loans. These terms and conditions explain the rules of the loan including interest rates, eligible amounts based on the student's grade level in school, and at what point the student has earned the right to keep the full amount of the loan based on enrollment, etc. The borrowers' right and responsibilities regarding the loan are also included. The student receives information on the types of available loans, rights and responsibilities, and the terms and conditions of their loan during entrance and exit counseling.

Federal Direct Loan (FDL)

- Student must be enrolled at least half-time during the period of enrollment to receive their direct loan funds. Students whose enrollment status is below half-time are not eligible to receive direct loan funds for the period below half-time. If eligibility is lost due to being enrolled less than half-time, a student can regain eligibility if enrolled at least half-time during a subsequent period of enrollment.
- A student who is borrowing a loan for the first time is required to participate in loan entrance counseling prior to the first disbursement of the loan. For first time borrowers, the first disbursement of a loan cannot be made earlier than thirty (30) days after the start of the term or period of enrollment.
- A student borrower who is in default on a Federal Student Aid loan is not eligible for additional direct loan funds unless eligibility is regained.

Managing Your Federal Student Aid Loans

Federal Student Loan Payment Obligations and Options

Students who receive Federal Student Loans sign a Master Promissory Agreement (MPN) which states the student is obligated to repay the student loan funds regardless of the student's graduation, withdrawal from school, or the student's inability to obtain employment.

The Federal Student Loan program offers students may different repayment options. Students are responsible for selecting the appropriate payment plan to suit their needs. The school's financial aid office and lender (Federal Direct Loan Servicer) are available to review the different repayment options. This information is also available at <https://studentaid.gov/understand-aid/types/loans>. If at any time a student becomes delinquent on a loan it is the student's responsibility to contact the school or lender to determine what options are available.

The Financial Aid Loan Entrance Counseling

The following information is included in the Federal Direct Loan Entrance Counseling, which will be presented to a first-time student borrower prior to the first disbursement of loan funds and is available online at <https://studentaid.gov/h/manage-loans>.

- Explanation and use of the Master Promissory Note (MPN)
- Effect of accepting the loan on eligibility for other aid
- Seriousness and importance of the repayment obligation
- Option of the borrower to pay interest on Unsubsidized Stafford and Graduate PLUS loans while in school
- Interest accrual process and interest capitalization when a borrower elects not to pay interest or if the interest is not paid by the U.S. Department of Education
- Definition of half-time enrollment
- Consequences of not maintaining half-time enrollment
- Importance of contacting the appropriate office at the school if the student plans to withdraw before completing the academic program to allow the school to provide exit counseling to the borrower
- Obligation to repay the loans even if: the borrower does not complete the program or does not complete the program within the regular completion time for that program, is unable to find employment, or is dissatisfied with the school or program
- The importance of repayment and the consequences of default, including adverse credit reports, federal offset, and other federal delinquent debt collection procedures and litigation
- Sample monthly repayment amounts based on a range of levels of indebtedness, or the average cumulative indebtedness of other loan borrows within the same academic program as the borrower

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- Information regarding the National Student Loan Data System (NSLDS) and how a borrower can access and monitor his or her loan records
- Name and contact information of the person the student may contact for questions regarding rights and responsibilities or loan terms and conditions

The Financial Aid Loan Exit Counseling

Students are required to attend a Financial Aid Loan Exit Counseling session prior to graduating or shortly before the student ceases enrollment of at least half-time study. Students who seek to withdraw from the school should see the financial aid office to get information, an exit interview must also be completed online at <https://studentaid.gov/h/manage-loans>. Several topics presented at the entrance counseling session are again reviewed during the exit counseling. Exit counseling is required for all graduated, withdrawn, or dismissed students prior to exiting the institution as well when a student ceases to attend at least half-time. If a student leaves school or chooses to postpone their education, the student should meet with a Financial Aid Administrator to understand the financial impact of this decision and complete loan exit counseling. Exit counseling includes the following information:

- Explanation of all repayment plans available
- Comparative analysis of the features of each type of repayment plan, including average projected monthly payments and the difference in interest and total payments
- Explanation of the terms and conditions to obtain full or partial loan forgiveness or discharge
- Explanation of the terms and conditions the borrower may obtain a deferment or forbearance
- Debt management strategies to assist the student in successful loan repayment
- Information regarding the average anticipated monthly repayment amount based on the student loan borrower's actual indebtedness or the average indebtedness of student borrowers in the same academic program receiving the same types of loans
- A review of the use of the Master Promissory Note (MPN) and the student's obligation to repay the loan
- Explanation of the student's responsibility to repay the loan even if: the student did not complete the program or did not complete the program within the regular completion time for that program, is unable to obtain employment, or is dissatisfied with the school or education received.
- Explanation regarding the consequences of default, including adverse credit reports, federal offset, other federal delinquent debt collection procedures and litigation under federal law
- Effects of loan consolidation, including the effect on total interest and fees to be paid, length of the repayment term, effect on borrower benefits on underlying loans (grace periods, deferment, loan forgiveness, and loan discharge), and option to prepay or change repayment plans.
- Explanation of the tax benefits available to the student
- Information concerning the National Student Loan Data System (NSLDS) and how the student can utilize NSLDS to access his or her records
- Information regarding the availability of the Student Loan Ombudsman's Office

Loan Deferments for Borrowers

Students should visit the financial aid office for the terms and conditions under which students receiving federal education loans may obtain a deferment for repaying student loan debt. This information is also available online at <https://studentaid.gov/h/manage-loans>.

Loan Deferments for Certain Individuals

Loan deferment terms and conditions are further defined for those serving in the Peace Corps; under the Domestic Volunteer Service Act; and as a volunteer for a tax-exempt organization of demonstrated effectiveness in the field of community service. These individuals should visit the financial aid office for additional information. Additional information is also available on the Federal Student Aid website at <https://studentaid.gov/h/manage-loans>.

Student Loan Borrower Rights and Responsibilities

Student Loan Borrower Rights and Responsibilities for education loans can lead to a brighter future, but they need to be used carefully. Never borrow more than you need and be aware of your rights and responsibilities. Additional information and questions will be addressed during your financial aid appointment at your school, during the enrollment process. Students that are experiencing issues or have questions about their Direct Loans should contact their campus financial aid office for assistance.

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Students that are not able to resolve issues may also contact the FSA Ombudsman at <https://studentaid.gov/feedback-center/>.

HCI College has contracted the services of i3Group to work with and assist students with their student loans after they have left school, using the **Ion Tuition** system. **Ion Tuition** is a free service available to all HCI College students. An **Ion** Student Loan Counselor may contact you directly to talk about your loan repayment. You may also contact an Ion Student Loan Counselor for FREE at (855) 456-2656 or email them at info@iontuition.com.

The counselors are available to help you with the following:

- Answering questions regarding your federal student loan repayment obligation
- Lowering your monthly payment by enrolling into an Income-Driven Repayment Plan
- Pausing your payments by entering deferment or forbearance
- Helping you make sense of difficult financial circumstances and avoid problems with your loans
- Student loan forgiveness options

i3Group works with HCI College students however, students are still required to maintain contact with their primary loan servicer for their Direct Loans, which has been assigned by Federal Student Aid. The loan servicer is the primary resource for assistance; the representatives at i3Group also assist students to communicate with and update their assigned Direct Loan servicer.

As a borrower, you have the right to know:

- School policy on enrollment, attendance, and good academic standing.
- School policy on when you must pay tuition, fees, and other costs.
- Students' average indebtedness, default rate, and graduation rate at your school.
- The consequences of defaulting on your loan.
- How financial aid is determined.
- The financial aid programs available at the school and how to qualify for them.
- The type and amount of fees deducted from the loan amount.
- When loan proceeds will be available and the number and timing of the disbursements.
- When repayment will begin and your average monthly payment.
- Information on deferment (postponement of repayment), cancellations and forbearances.
- If your loan is sold or otherwise transferred.
- That your loan(s) will not automatically be discharged if you file for bankruptcy.

Students also have responsibilities. It is up to them to:

- Complete all applications and forms accurately and on time.
- Provide additional information or documentation, such as income tax forms, if requested.
- Inform the financial aid office of any change in your family's financial circumstances.
- Attend entrance counseling session before you receive your first loan disbursement.
- Keep track of all your loans and know the terms and conditions regarding repayment and deferment.
- Notify your lender of any changes in your address, name, telephone number or Social Security number.
- Inform the lender if your expected graduation date changes, if you drop out of school, or if you drop below half-time attendance.
- Inform the lender if you transfer to another school or if your employer's address changes.
- Attend an exit interview before graduating or leaving school.
- Repay the loan regardless of whether you have completed your education, are satisfied with it, or are able to find a job.

Repaying Your Loan

Students are required to begin repaying their Federal Student Loan six months after they graduate, leave school, or drop below half-time attendance. Borrowers generally have 10 years to repay these loans.