

Loan Disclosures

July 1, 2011

LOAN DISCLOSURES

Student Loan Information

Information regarding loan availability, including rights and responsibilities of students and schools under the Title IV, HEA programs is located in the Financial Assistance disclosure section. A student may visit the following websites for updated information:

Information for Financial Aid Professionals

<http://ifap.ed.gov/ifap/>

"Funding Education Beyond High School – The Guide to Federal Student Aid 2010-11" at http://studentaid.ed.gov/students/publications/student_guide/index.html

"The Entrance Counseling Guide for Direct Loan Borrowers" at <http://www.direct.ed.gov/pubs/entrancelguide.pdf>

"The Exit Counseling Guide for Direct Loan Borrowers" at <http://www2.ed.gov/offices/OSFAP/DirectLoan/pubs/exitcounselguide.pdf>

You can also visit the Direct Loan website at www.direct.ed.gov

National Student Loan Data System (NSLDS)

The institution will submit all Title IV, HEA loan information obtained by a student or student's parent to the National Student Loan data System (NSLDS). The loan information will be accessible by guarantee agencies, lenders, and schools determined to be authorized users of the data system.

Entrance Counseling for Student Borrowers

Prior to the first disbursement, the institution must provide to a first-time borrower of a Federal Direct Loan (other than consolidated or Parent PLUS loans) comprehensive information on the terms and conditions of the loan and of the borrower's responsibilities.

The following information is provided to first-time borrowers of a Federal Direct Loan. Comprehensive information is contained in the Financial Assistance disclosure section.

- An explanation of the use of the Master Promissory Note (MPN)
- An emphasis to the borrower the seriousness and importance of the repayment obligation the student borrower is assuming
- A description of the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation
- The obligation of the borrower to repay the full amount of the loan regardless of whether the borrower complete program or completes within regular time for

Loan Disclosures

July 1, 2011

completion, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services the borrower purchased from the school

- Information about the monthly payment amounts
- A range of student levels of indebtedness of Direct Subsidized Loan and Direct Unsubsidized Loan borrowers, or student borrowers with Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans depending on the types of loans the borrower has obtained; or
- The average indebtedness of other borrowers in the same program at the same school as the borrower
- To the extent practicable, provide an explanation of the effect of accepting the loans to be disbursed on the eligibility of the borrower for other form of student financial assistance
- Information on the accrual and capitalization of interest
- Borrowers of unsubsidized loans have the option of paying interest while in school
- Definition of half-time enrollment and the consequences of not maintaining half-time enrollment
- Importance of contacting appropriate offices if student withdraws prior to completion of program of study
- Sample monthly repayment amounts
- Consequences of default
- Information about NSLDS and how the borrower can access his or her records

Exit Counseling for Student Borrowers

The following information is disclosed shortly before the student borrower ceases at least half-time study at the institution. The counseling provides information on:

- Average anticipated monthly repayment amount
- Repayment plan options
- Options to prepay or pay on shorter schedule
- Debt Management Strategies
- Use of Master Promissory Note
- The seriousness and importance of student's repayment obligation
- Terms and conditions for forgiveness or cancellation
- Copy of information provided by the U.S. Department of Education
- Terms and conditions for deferment or forbearance
- Consequences of default
- Options and consequences of loan consolidation
- Tax benefits available to borrowers

Loan Disclosures

July 1, 2011

- The obligation of the borrower to repay the full amount of the loan regardless of whether the borrower completes program or completes within regular time for completion, is unable to obtain unemployment upon completion, or is otherwise dissatisfied with or did not receive the educational or other services the borrower purchased from the school
- Availability of the Student Loan Ombudsman's office
- Information about NSLDS and how the borrower can access his or her records

PRIVATE EDUCATION LOAN DISCLOSURES

The **Truth in Lending Act (TILA)**, which originally was enacted in 1968, sets out requirements for lenders in presenting and calculating interest rates and costs of loans for consumers. The purpose of the Act is to provide a way for consumers to compare loan provisions in order to make an informed choice, and so they may understand the costs of loans.

- By law, a contract for a private educational loan must include:
- The finance charge - the cost of the credit over the life of the loan
- The Annual Percentage Rate (APR), showing the cost of credit as a percentage.
The schedule of payments - amounts and dates
- The amount financed
- The total of the payments - the total cost of the loan in dollars.
- A right to cancel the loan within a specific time frame

The terms and conditions of Title IV loans are more favorable than the provisions of private education loans. The institution will award eligible students Title IV funds prior to offering a private educational loan.

Information and paperwork for private education loans is presented to the student separate and distinct from Title IV funding.

Self-Certification Form

A self-certification form must be obtained by an applicant before disbursing a private education loan. The institution is required to obtain this form for students admitted or enrolled at the school who will be obtaining a private education loan.

The self-certification form discloses the following:

- Free or lower-cost Title IV federal, state, or school student financial aid may be available in place of, or in addition to, a private education loan.
- A private education loan may reduce eligibility for free or lower-cost federal, state, or school student financial aid.

Loan Disclosures

July 1, 2011

- You are strongly encouraged to pursue the availability of free or lower-cost financial aid with the school's financial aid office.
- Cost of attendance
- Estimated financial assistance
- The difference between the cost of attendance and estimated financial assistance

Students are advised that borrowing more than the difference between the cost of attendance and the estimated financial assistance may reduce eligibility for free or lower-cost federal or institutional aid.

CODE OF CONDUCT

The purpose of this policy is to prohibit conflicts of interest in situations involving student financial aid and to establish standards of conduct for employees with responsibility for student financial aid.

INSTITUTIONAL POLICY REGARDING...

Revenue Sharing Arrangements

The institution will not enter into any revenue-sharing arrangement with any lender.

Gifts

No employee may accept any gift from a lender, guarantor, or servicer of educational loans. A gift to a family member of an employee or to any other individual based on that individual's relationship with the employee shall be considered a gift to the employee if the gift is given with the knowledge of the employee and the employee has reason to believe the gift was given because of the employee's position at the institution.

Prohibited Contracting Arrangements

No employee shall accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

Interaction with Borrowers

When participating in the Federal Direct Loan Program, the institution may assign a first-time borrower's Federal loan to the Federal Government as the lender. Under no circumstances will the institution assign a student's private student loan to a particular lender, or refuse to certify or delay certification of any private loan, based upon the borrower's selection of lender or guaranty agency.

Loan Disclosures

July 1, 2011

Private Loans

The institution will not request or accept from any lender any offer of funds to be used for private education loans, including funds for an opportunity pool loan, to students in exchange for the institution providing concessions or promises regarding providing the lender with: a specified number of private loans, or a preferred lender arrangement for private loans.

Staffing Assistance

The institution will not request or accept from any lender any assistance with call center staffing or financial aid office staffing.

The institution may accept assistance from a lender related to:

- Professional Development Training
- Educational Counseling Materials
- Debt Management Materials
- Financial Literacy Materials

Advisory Board Compensation

No employee who serves on an advisory board, commission, or group established by a lender or a group of lenders may receive anything of value in return for that service.

Expenses incurred while attending professional association meetings, conferences, or in connection with service on an advisory board must be paid by the institution.

Meals offered as a part of meetings, conferences, or other events may be accepted if all participants in the meeting or events are offered the meal or if the meal is included as part of the registration fee.

PREFERRED LENDER LISTS

The institution does not provide a preferred lender list to students. All available Title IV funding is awarded prior to the discussion of a private education loan. A private education loan is available to students who are in need of additional financial assistance to cover institutional charges. The institution encourages students to pursue a more economic means such as in school cash payments, a low interest credit card, or a personal education loan through a bank or credit union.