

CONSUMER INFORMATION

Activity 10: Loan Disclosures

Review and record what office is responsible for reviewing and updating the information listed below. Also indicate where this information is located and when it was last updated.

Office Responsible:	FINANCIAL AID OFFICE
Area Information is located:	FAO OFFICE
Date Document was last updated:	JUNE 2016
Date Policy and Procedure was last updated:	June 11, 16

State Grant Assistance 668.14(b)(11)

- If the school participates in the FFEL Program, the school informs all eligible borrowers, as defined in 34 CFR part 682, about the availability and eligibility of those borrowers for State grant assistance from the State in which the school is located, and informs borrowers from another State of the source of further information concerning State grant assistance from that State.

We do this in a couple ways. One, on our website, we lead the to a URL that shows grants & loans available in each state. In person, we inform them about State Vocational Rehab and PACT if they have it.

Student Loan Information Published by the U.S. Department of Education

- The school is required to provide information published by the U.S. Department of Education to students at any time that information regarding loan availability is provided. The publication includes information about rights and responsibilities of students and schools under the Title IV, HEA loan programs.

This is published in brochures that we give and make available to the students. And we also refer them to www.studentloans.gov

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National Student Loan Data System (NSLDS)

- ❑ If the school enters into an agreement with a potential student, student, or parent of a student regarding a Title IV, HEA Loan the school must inform the student or parent that the loan will be submitted to the National Student Loan Data System (NSLDS), and will be accessible by guaranty agencies, lenders, and schools determined to be authorized users of the data system.

Yes, we do this too. The FAO gives the students “entrance and exit counseling” and refers them to studentloans.gov.

Entrance Counseling For Student Loan Borrowers [685.304\(a\)](#)

Yes, we do this too. The FAO gives the students “entrance and exit counseling” and refers them to studentloans.gov.

Note: The final regulations include the entrance counseling requirements separately for each loan program. See the program regulations for complete information.

Prior to the first disbursement, each school does 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 information is to include:

- ❑ 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 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 based on
 - ❑ 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 the NSLDS and how the borrower can access the borrowers records
 - ❑ Name and contact information for individual the borrower may contact with questions about the borrower’s rights and responsibilities or the terms and conditions of the loan

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Exit Counseling For Student Loan Borrowers [685.304\(b\)](#); [668.42](#); [674.42\(b\)](#)

Yes, we do this too. The FAO gives the students “entrance and exit counseling” and refers them to studentloans.gov. She also places a paper copy of the proof in the file.

Note: The final regulations include the entrance counseling requirements separately for each loan program. See the program regulations for complete information.

Each school must provide counseling to borrowers of loans under the FFEL, Federal Direct Loan, or Perkins Loan programs (other than consolidated or Parent PLUS loans) shortly before the student borrower ceases at least half-time study at the school. The counseling will provide 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
- 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. The U.S. Department of Education is required to provide a disclosure form for students and prospective students about NSLDS

Private Education Loan Disclosures (Including Self-Certification Form) [601.2](#); [601.11](#); [601.30](#); [668.14\(b\)\(29\)](#)

WE DON'T DO PRIVATE LOANS

Schools or school-affiliated organizations (e.g., alumni organizations, foundations) that provide information regarding a private education loan from a lender to a prospective borrower must provide information to the prospective borrower, including:

- Information required under Section 128(e) of the Truth in Lending Act ([15 U.S.C. 1638\(e\)](#))
- That the prospective borrower may qualify for loans or other assistance under the Title IV, HEA programs
- That the terms and conditions of the Title IV, HEA program loans may be more favorable than the provisions of the private education loans.

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The information regarding private education loans must be presented in a manner that makes it distinct from information regarding Title IV, HEA program Loans.

Self-Certification Form [601.2](#); [601.11](#); [601.30](#); [668.14\(b\)\(29\)](#)

NO PRIVATE LOANS / N/A

- The school must, upon request provide in written or electronic form to an enrolled or admitted student applicant for a private education loan the self-certification form for private education loans required under Section 128(e)(3) of the Truth in Lending Act ([15 U.S.C. 1638\(e\)\(3\)](#)), and the information required to complete the form, to the extent the school possesses the information. The U.S. Department of Education is required to develop the form.

Code of Conduct for Education Loans [601.2](#); [601.21](#); [668.14\(b\)\(27\)](#)

Blue Cliff Career College's code of conduct must prohibits:

- Revenue-sharing arrangements with any lender
- Receiving gifts from a lender, a guarantor, or a loan services
- Contracting arrangement providing financial benefit from any lender or affiliate of a lender
- Directing borrowers to particular lenders, or refusing or delaying loan certifications
- Offers of funds for private loans
- Call center or financial aid office staffing assistance
- Advisory board compensation

Preferred Lender Lists [601.2](#); [601.21](#); [668.14\(b\)\(28\)](#)

Not Applicable – No Private Lenders

Preferred Lender Arrangements [601.2](#); [601.10](#); [601.12](#); [601.20](#); [601.21](#)

Not Applicable – No Private Loans - No Preferred Lender Agreements

Private Education Loans [601.2](#); [601.10](#); [601.12](#); [601.20](#); [601.21](#)

Not Applicable – No Private Loans - No Preferred Lender Agreements

Annual report on Preferred Lender Arrangements [601.2](#); [601.10](#); [601.12](#); [601.20](#); [601.21](#)

Not Applicable – No Private Loans - No Preferred Lender Agreements