INTENT

The intent of this policy is to comply with Federal due diligence requirements by giving the borrower and the institution an opportunity to review the terms of the note, repayment schedule and borrower's rights and responsibilities at the time a student leaves school or drops below half time status.

POLICY

Transcripts, credentials and diplomas are withheld from students who fail to complete the exit interview process with the loan collection officer prior to their departure from the University.

PROCEDURE

A. Borrowers leaving school are classified as such by the loan collection officer who reviews the credit extract/enrollment list and the graduation list each semester. The students are notified of the scheduled exit interviews. If the borrower cannot attend, the necessary forms are mailed and must be signed and returned to the loan collection officer.

The exit interview covers the principal features of the promissory note, the repayment schedule and the borrower's rights and responsibilities.

B. The principal features of the promissory note include the following:

1. Full amount borrowed
2. Interest rates
3. Optional provisions, such as minimum repayments, penalty collection charges, deferments and cancellations
4. Amount of the first payment and its due date
5. Repayment schedule
C. The borrower must sign the statement of rights and responsibilities at the exit interview, after the loan officer has reviewed them. The borrower's rights include:

1. Prepayment of loan without penalty
2. Types and eligibility requirements for postponement, deferment and cancellation
3. Procedures for applying for postponement, deferment and cancellation

The borrower's responsibilities include:

1. Remittance of payments in a timely manner
2. Send in postponement, deferment or cancellation form at the time a payment is due
3. Inform institution promptly of an address change
4. Notify the institution in advance of payment date if unable to make a scheduled payment
5. Request an adjustment in repayment schedule if exceptional circumstances so warrant

D. The borrower is required to sign the Student Loan Exit Interview form. This form discloses to the student pertinent data regarding the loan repayment as prescribed by the Student Loan Consolidation and Technical Amendments Act of 1983.

E. The loan officer will discuss the grace period and the billing procedures used and administered at the institution.

F. For skip trace purposes, a Personal and Confidential Information form will need to be completed and signed by the borrower. This form will be kept on file in the borrower's permanent record.

G. At the conclusion of exit interview, the borrower should know the exact amount borrowed, interest rate and repayment schedule. The borrower should have a copy of the promissory note with repayment schedule and should understand all rights and responsibilities.