

MODULE 5 – Disclosure Requirements

SLIDE 1 – Title Slide

Welcome to the Maryland Student Loan Ombudsman's Educational Curriculum - Module 5: Student Education Loan Disclosure Requirements.

This presentation was prepared by the Maryland Student Loan Ombudsman in the Office of the Commissioner of Financial Regulation at the Maryland Department of Labor.

For more information about the Ombudsman and the Office of the Commissioner of Financial Regulation, please visit our website at www.labor.maryland.gov/finance.

SLIDE 2 – Federal Student Loan Exit Counseling

The federal government now requires all college attendees who received federal student loan assistance to complete exit counseling before they graduate or drop below half-time enrollment.

The purpose of the counseling session is to make sure that federal student loan borrowers understand their loans and repayment terms. Topics to be covered in the session include:

- The different types of federal student loans.
- The interest rates in the Direct Loan Program.
- Repayment, repayment Incentives and repayment Timelines.
- Strategies for avoiding delinquency or default.
- Your “grace” / “deferment” period, if any.
- Where and how to make your loan payments; and
- Loan consolidation

Ask the Student Financial Aid Office in your college or university about how to complete your exit counseling session.

SLIDE 3 – Your Responsibilities as a Student Loan Borrower

As a student loan borrower, you have certain responsibilities before and during loan repayment.

These responsibilities include:

- Completing exit counseling before you leave school or drop below half-time enrollment;

- Repaying your loan according to your repayment schedule. You must repay your loan as agreed, even if you don't complete your academic program, are dissatisfied with the education you received, or you're unable to find employment after you graduate;
- You are responsible for making the required monthly payments on your loan after your grace period ends, unless you have a deferment or forbearance.
- And, you are responsible for making loan payments regardless of receiving billing notices or monthly statements. You must make payments on your loan as agreed, even if you don't receive a bill, notice or statement from your servicer. These documents are sent to you as a convenience. You're obligated to make your payments as agreed, even if you don't receive any reminders.
- If you apply for a deferment or forbearance, you must continue to make your loan payments until you have been notified that your request has been approved. If you don't, you might end up in default.
- If your loan is IN deferment or forbearance, you are responsible for notifying your student loan servicer of anything that might affect your eligibility for remaining in deferment or forbearance
- And finally, regardless of your loan repayment status, you are responsible for notifying your student loan servicer if you move, or if you change your mailing address, telephone number, name (for instance, if you get married or divorced), or your Social Security number; OR if there is a change in your employer or your employer's address or telephone number.

SLIDE 4 – Your Rights as a Student Loan Borrower

In addition to the responsibilities just described, you also have many rights as a student loan borrower. These include:

- The right to a disclosure statement, which should be received before you begin to repay your loan, and it should include your loan balance, loan repayment schedule and information about interest rates and fees;
- You have the right to a copy of your Master Promissory Note, which is the legal document that you signed, either before or at the time your loan is disbursed, in which you promise to repay your loans and any accrued interest and fees;
- You have the right to request and receive written information from your servicer or lender about your loan obligations and information on your rights and responsibilities as a borrower;

- You have the right to a grace period before your loan repayment begins, and an explanation of what this means;
- You have the right to receive notification if your loan is transferred to another servicer; and
- You have the right to a loan deferment or forbearance for certain defined periods, IF you otherwise qualify for AND request it.
- You also have the right to prepay your loan in whole or in part anytime without an early-repayment penalty; and
- You should receive documentation when your loan is paid in full.

SLIDE 5 – Your Rights as a Student Loan Borrower (continued)

Maryland has additional protections in state law for student loan borrowers. The Maryland Student Loan Ombudsman has published a "Bill of Rights" that describes, in plain language, the protections for student loan borrowers in Maryland.

Your rights as a student loan borrower residing in Maryland include, BUT are not limited to, these protections:

- You may not be subjected to conduct from your student loan servicer that is intended to mislead you or otherwise treat you in an unfair, abusive or deceptive way.
- You have the right to accurate and transparent information about your loan from your servicer.
- Your payments must be accurately applied and servicers must correct misapplied payments; and
- You have the right to have your student loan information accurately reported by your servicer to the credit reporting agencies.

The complete Student Loan Borrower's Bill of Rights is available on the website of the Office of the Commissioner of Financial Regulation.

SLIDE 6 – Module 5 Resources

This concludes the Maryland Student Loan Ombudsman's Educational Curriculum for Module 5: Student Education Loan Disclosure Requirements.

Please make note of these resources, including the Maryland Student Loan Borrower's Bill of Rights, which is available on the website of the Office of the Commissioner of Financial Regulation at the URL shown here. It is recommended that you review the complete Student

Loan Borrower's Bill of Rights to fully understand your protections as a student loan borrower in Maryland.

- Maryland Student Loan Borrower's Bill of Rights - OCFR website:
www.labor.maryland.gov/finance/consumers/frslbillofrights.shtml
- Federal Student Aid/U.S. Department of Education
studentaid.gov/exit-counseling