

## Student Loan Counseling — What's Required?



---

---

---

---

---

---

---

---

## Agenda



- Overview.
- Entrance Counseling.
- Exit Counseling.
- Delivery Methods.
- Group Loan Counseling Tools.



---

---

---

---

---

---

---

---

## Student Loan Counseling

### Overview



- Required by Department of Education.
- Helps to educate student borrowers.
- May help reduce student loan defaults.
- Required for all student borrowers of Federal Stafford or PLUS loans.



---

---

---

---

---

---

---

---

## Agenda



- ▣ Overview.
- ▣ **Entrance Counseling.**
- ▣ Exit Counseling.
- ▣ Delivery Methods.
- ▣ Group Loan Counseling Tools.



---

---

---

---

---

---


---


---

## Entrance Counseling

### Requirements

At or prior to delivery of the first disbursement, schools must ensure first-time student borrowers receive simple and understandable information about federal student loans.





1

---

---

---

---

---

---

---


---

## Entrance Counseling

### Requirements

- ▣ Master Promissory Note.
- ▣ Repayment.
- ▣ Effect on other aid.
- ▣ Interest capitalization.
- ▣ Enrollment implications.
- ▣ Withdrawal procedures.

- ▣ Consequences of default.
- ▣ Sample monthly payments.
- ▣ Access to NSLDS.
- ▣ Contact information.



1-3

---

---

---

---

---

---

---

---

## Entrance Counseling

Best Practices



- Terms and conditions.
- Sources of aid.
- State grants.
- Budgeting.
- Contacting lender(s).
- Satisfactory academic progress.
- Keeping good records.
- Test their understanding.

4



---

---

---

---

---

---

---

---

## Agenda



- Overview.
- Entrance Counseling.
- **Exit Counseling.**
- Delivery Methods.
- Group Loan Counseling Tools.



---

---

---

---

---

---

---

---

## Exit Counseling

Requirements

- Schools must ensure that student borrowers receive all required exit counseling information:
  - Prior to ceasing enrollment on at least half-time basis.
  - Within 30 days of learning of unofficial withdrawal.
- Review information covered in entrance counseling.
  - Master promissory note.
  - Repayment.
  - Consequences of default.
  - Debt management strategies.

5-7



---

---

---

---

---

---

---

---

# Exit Counseling

## Requirements



- Repayment Options:
  - Types of repayment plans.
  - Average payment amounts.
  - Interest charges.
- Forbearance, deferment and cancellation.
- Prepayment without penalty.
- Changing repayment plans.

5-7



---

---

---

---

---

---

---

---

# Exit Counseling

## Requirements

- Loan Consolidation:
  - Interest charges.
  - Effect on borrower benefits.
  - Repayment options.
  - Choosing a lender.
- Tax benefits.
- Collect borrower's information.
- Access to NSLDS.
- Student Loan Ombudsman.



5-7



---

---

---

---

---

---

---

---

# Exit Counseling

## Best Practices



- Lender contact information.
- Communication with lender(s).
- Keeping good records.
- Test their understanding.

8



---

---

---

---

---

---

---

---

## Agenda



- Overview.
- Entrance Counseling.
- Exit Counseling.
- **Delivery Methods.**
- Group Loan Counseling Tools.



---

---

---

---

---



---

---

---

## Loan Counseling Delivery Methods

- Department of Education gives schools flexibility.
- Must document that loan counseling was completed.
- Someone must be available to answer questions.
- Financial aid office must take reasonable steps to ensure all borrowers have the counseling.
  - Information may be mailed to students who do not complete counseling.

8



---

---

---

---

---


---

---

---

## Loan Counseling Delivery Methods

Individual	<ul style="list-style-type: none"> <li>➤ Customized.</li> <li>➤ Encourages questions.</li> </ul>
Group	<ul style="list-style-type: none"> <li>➤ Practical use of staff time.</li> <li>➤ Offer several sessions.</li> <li>➤ Vary style to keep their attention.</li> </ul>
Online	<ul style="list-style-type: none"> <li>➤ Easy to distribute.</li> <li>➤ Usually includes a test.</li> <li>➤ Completion recorded.</li> </ul>
Mailing information packets	<ul style="list-style-type: none"> <li>➤ Provide required elements.</li> <li>➤ Impersonal.</li> <li>➤ Document when information is sent.</li> </ul>
Videos	<ul style="list-style-type: none"> <li>➤ Review required elements.</li> <li>➤ Combine with other methods.</li> <li>➤ General or school-specific.</li> </ul>

9


---

---

---

---

---

---

---

---

## Putting It To Work

- How does your loan counseling measure up?
- Answer the questions on page 10.



10



---

---

---

---

---

---

---

---

## Agenda



- Overview.
- Entrance Counseling.
- Exit Counseling.
- Delivery Methods.
- Group Loan Counseling Tools.**



---

---

---

---

---

---

---

---

## Planning Checklist for Group Counseling

- Identify the students who are required to complete loan counseling.
- Considerations:
  - Number of sessions.
  - Materials.
  - Refreshments.
- Scheduling:
  - Location.
  - Setup.
  - Days and times.
- Advertising and notification.
- Plan for students who do not attend.



---

---

---

---

---

---

---

---

## Presenting Tips



- Set up well in advance.
- Be flexible and prepare for emergencies.
- Be prepared and organized.
- If possible, present with another person.
- Use visuals.
- Answer questions.
- Establish rapport.
- Integrate your own experiences.
- Facilitate discussion questions.
- Practice, practice, practice.



---

---

---

---

---

---

---

---

## Tools for You

- Select from four PowerPoint presentations:
  - Entrance counseling — Stafford borrowers.
  - Entrance counseling — Graduate/Professional PLUS borrowers.
  - Exit counseling — Stafford borrowers.
  - Exit counseling — Stafford and Graduate/Professional PLUS borrowers.



---

---

---

---

---

---

---

---

## Tools for You



- Useful tips:
  - Delivering successful presentations.
  - Checklist for planning group loan counseling sessions.
  - Frequently asked questions — with responses provided by NELA's policy staff.



---

---

---

---

---

---

---

---

## Tools for You

- NELA's products and services:
  - NELA Loan Counselor®.
  - NELA News Link.
  - NELA Learning Services online learning course 220, "FFELP Loan Counseling."
  - Ask Our Policy Experts.



---

---

---

---

---

---

---

---

## Tools for Your Students



- Entrance Counseling: Get the Scoop on your Student Loans.
- Exit Counseling: Take the Lead, Don't Let your Loans Upstage You.
- Get a Closer Look at Stafford Loans.
- Get Your Ducks in a Row: Consolidation and Other Ways of Organizing Your Student Loans.
- Manage Your Money Before it Manages You.
- WOW Them With a Degree and Land a Hot Job.
- Getting the Job You Want (Podcast).
- Loan Repayment.
- Repayment Calculators.



---

---

---

---

---

---

---

---

## Thank You



Northwest Education Loan Association®  
190 Queen Anne Ave N, Suite 300  
Seattle, WA 98109  
800.562.3001  
[www.nela.net](http://www.nela.net)



---

---

---

---

---

---

---

---