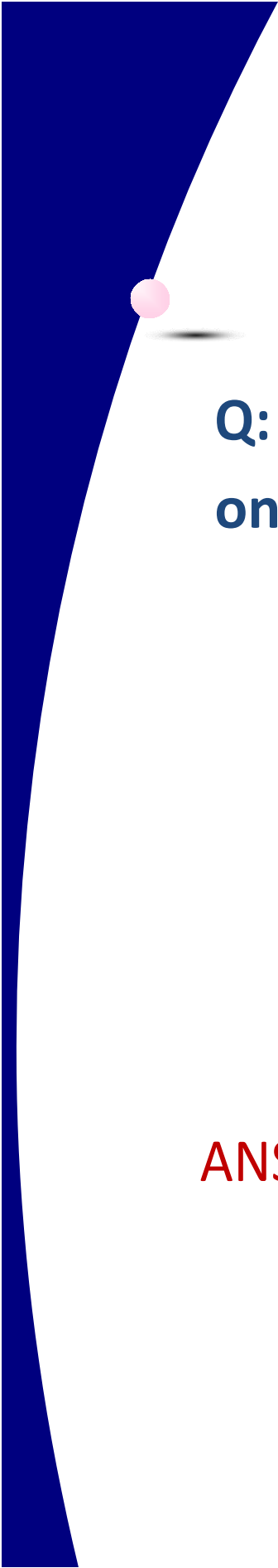


**Q: Do I have to
complete loan
entrance counseling?**

ANSWER: Before your school disburses your Federal Direct Loan, regulations require that you complete an entrance counseling session. The counseling session helps guide you in managing your student loans, both during and after college.



**Q: What is the current interest rate
on my Direct Loan?**

ANSWER: The 2023/2024 interest rate on the
Federal Direct Loan program is 5.50%.



Q: What are origination fees?

ANSWER: The Direct Loan origination fee is an expense of borrowing a Direct Loan with the government. The loan fee is a percentage of the amount of each loan the borrower receives, and is subtracted proportionately from each loan disbursement. The 2023/2024 loan origination fee is currently 1.057%



Q: How much can I borrow?

ANSWER: The first-year undergraduate annual loan limit is \$5,500 (no more than \$3,500 of this amount may be in subsidized loans). For independent students or for dependent students whose parents have been denied a Direct PLUS Loan, first-year students can borrow up to \$9,500 (no more than \$3,500 of this amount may be in subsidized loans).

The second-year undergraduate annual loan limit is \$6,500 (no more than \$4,500 of this amount may be in subsidized loans). For independent students or for dependent students whose parents have been denied a Direct PLUS Loan, second-year students can borrow up to \$10,500 (no more than \$4,500 of this amount may be in subsidized loans).

The third-year and beyond undergraduate annual loan limit is \$7,500 (no more than \$5,500 of this amount may be in subsidized loans). For independent students or for dependent students whose parents have been denied a Direct PLUS Loan, third-year and beyond students can borrow up to \$12,500 (no more than \$5,500 of this amount may be in subsidized loans).

The subsidized and unsubsidized aggregate loan limit is \$31,000 (no more than \$23,000 of this amount may be in subsidized loans). For independent students or for dependent students whose parents have been denied a Direct PLUS Loan, the aggregate limit is \$57,500 for undergraduates (no more than \$23,000 of this amount may be in subsidized loans).



Q: What is an MPN?

ANSWER: Your Direct Stafford Loan master promissory note (MPN) may allow a school to process more than one loan over a period of up to ten years. This is your promise to pay back the federal loan with interest. The original lender is authorized to certify loans under this MPN even if the guaranty agency changes. A new MPN will be required if you wish to receive loans from a different lender other than the original. If you attend school after Wells College and do not change lenders, your MPN is still valid; however, many institutions may require a new MPN, at their discretion.



Q: Do I have to complete loan exit counseling?

ANSWER: An exit counseling session is required by federal law for all students who have received a federally funded student loan. If you are planning to attend graduate school, withdraw or stop attending school, you are still required to complete the exit counseling session if you borrowed in the federal student loan program(s).



Q: How do I make monthly payments?

ANSWER: Your Federal Direct Loan is serviced by a series of loan servicers. To locate your Direct Loan servicer, you can logon to the <https://studentaid.gov> website. Payments, deferments and forbearances will be processed with your assigned loan servicer.



Q: What is a grace period?

ANSWER: You are entitled to a grace period before repayment of your loan begins. The time limit of your grace period depends on the date your first loan was made. During any grace period, no repayment is required. Currently, the grace period is six months following your separation from Wells College. Repayment is required to begin at the end of your initial grace period, which is determined by the regulations in effect at the time the loan was granted.



Q: What if I miss a payment?

ANSWER: If you fail to make on-time payments, you may be charged late fees in addition to your accrued interest and principal payment due. If you fail to make your monthly payments, your account may be turned over to a collection agency. Once this occurs, your name is reported to credit agencies, affecting your credit rating and future ability to borrow.



Q: What is loan deferment?

ANSWER: It is possible to defer (or postpone) the repayment of your Direct Loan if certain conditions are met.

During an approved deferment period, you are not required to make scheduled payments on your loan. You will need to contact your loan servicer to see if you qualify for any of the following loan deferments:

- enrolled at least half-time at an eligible school;
- enrolled full-time course of study in a graduate fellowship program;
- participating in an approved full-time rehabilitation program for individuals with disabilities;
- unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment);
- experiencing an economic hardship (including Peace Corps service), as determined under the Act (for a maximum of three years);
- serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency and, if you were serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for your qualifying service; or
- a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while you are enrolled at least half-time at an eligible school or within 6 months of having been enrolled at least half time, during the 13 months following the conclusion of your active duty service, or until you return to enrolled student status on at least a half-time basis, whichever is earlier.



Q: What is forbearance?

ANSWER: Forbearance is the temporary cessation of payments, allowing an extension of time for making payments, or accepting smaller payments than were previously scheduled. Interest will continue to accrue during the period of forbearance and you are responsible for repayment of the accrued interest charges. Please contact your loan servicer for details on how to apply.



Q: What loan forgiveness benefits do I have?

Up

ANSWER: A portion of eligible student loans may be forgiven if you:

Teach full-time for five consecutive years in certain low-income elementary or secondary schools, or for certain low-income educational service agencies; (2) meet certain other qualifications; and (3) if you did not owe a Direct Loan or FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

Work in public service. Under this program, the remaining balance due on your eligible Direct Loan Program loans may be cancelled after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed in certain public service jobs.

The Act may provide for certain loan forgiveness or repayment benefits on your loans in addition to the benefits described above. If other forgiveness or repayment options become available, your servicer will provide information about these benefits.



Q: What repayment options do I have?

ANSWER: You are responsible for repaying your loans in full and according to the repayment schedule. The Direct Loan programs have the following repayment options for you to consider:

Standard Repayment Plan

Graduated Repayment Plan

Extended Repayment Plan

Pay As You Earn Plan Revised

Pay As You Earn Plan Income

Contingent Repayment (ICR)

Plan Income-Based

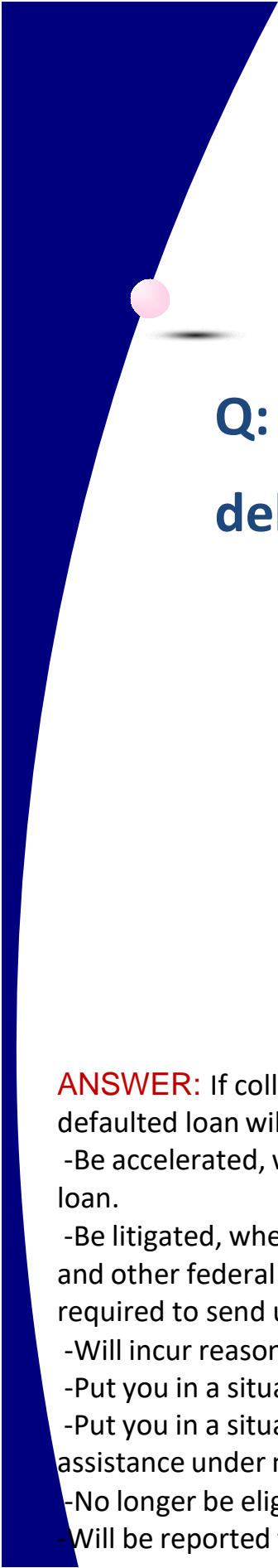
Repayment (IBR) Plan

Loan repayment calculators can be found at <http://studentloans.gov>. The calculator evaluates your eligibility for payment plans and estimates your payment amounts. The calculator is for informational purposes only. Your servicer will make the official determination of your eligibility and payment amount.



Q: Can I prepay on my loan?

ANSWER: There are no prepayment penalties on your Federal Direct Loan. Please indicate your account number when making payments on your account without a statement or payment coupon.



Q: What are the consequences of delinquency and default?

ANSWER: If collection efforts fail, legal action may be taken against you and your defaulted loan will:

- Be accelerated, which requires immediate repayment the entire unpaid amount of your loan.
- Be litigated, where the government takes all or part of your federal and state tax refunds and other federal or state payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- Will incur reasonable collection fees and costs, plus court costs and attorney fees.
- Put you in a situation where you may be denied or lose a professional license.
- Put you in a situation where you will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- No longer be eligible for loan deferments or forbearance
- Will be reported to the national consumer reporting agencies



Q: What is the average indebtedness for Wells College students?

ANSWER: Most of our aided students are packaged with a recommended student loan amount each year. It is the policy of Wells College to package aided students with the federally graduated recommended loan amounts based on their year in college. The 2022/2023 average federal indebtedness for Wells College graduates was \$24,646.



Q: Can I consolidate my loans?

ANSWER: Loan consolidation is an authorized federal program that will enable you to combine your outstanding educational loans (Federal Perkins, Stafford, Direct and SLS) together into one new loan with a fixed interest rate. The purpose of the program is to reduce your repayment burden by providing graduated and extended repayment periods in order to lower your monthly payments. You will assume the deferments, forbearance and loan forgiveness options of the Federal Consolidation Loan terms.



Q: What is loan rehabilitation?

ANSWER: Your loan is rehabilitated only after you have voluntarily made the agreed-upon payments on time and the loan has been purchased by a lender. Outstanding collection costs may be added to the principal balance. Any previous payments you have made do not count toward your rehabilitation payments. Once your loan is successfully rehabilitated, you may regain eligibility for benefits that were available on your loan before you defaulted. Other benefits of loan rehabilitation include the removal of the default status on your defaulted loan, the default status reported to the national credit bureaus, wage garnishment, and any withholding of your income tax refund made by the Internal Revenue Service (IRS).



Q: What is the Office of Ombudsman?

ANSWER: If you dispute the terms of your Direct Loan in writing and Wells College is unable to resolve the dispute, you may seek the assistance of the Department of Education's Student Loan Ombudsman. The Student Loan Ombudsman will review and attempt to informally resolve your dispute and may be reached at:

US Dept of Education

FSA Ombudsman

Fourth Floor

830 First Street, NE

Washington, DC 20202-5144

1-877-557-2575

fax (202)275-0549

www.ombudsman.ed.gov



References:

<http://direct.ed.gov/dlq-a.html>

<http://direct.ed.gov/pubs/dlmpn.pdf>

<https://studentaid.ed.gov/repay-loans/default/get-out>

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

<https://studentaid.ed.gov/repay-loans/understand/servicers>

<http://studentloans.gov>

Current Direct Loan Servicers

Loan Servicer	Contact
Edfinancial	1-855-337-6884
Aidvantage	1-800-722-1300
ECSI	1-866-313-3797
MOHELA	1-888-866-4352
Nelnet	1-888-486-4722
OSLA Servicing	1-866-264-9762