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Entrance Counseling

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Questions

Which of the following is true?

Answer : a. My Direct Loan's interest rate is fixed based off the first disbursement date of my loan and the rates are set yearly by Congress.

Options :

- a. My Direct Loan's interest rate is fixed based off the first disbursement date of my loan and the rates are set yearly by Congress.
- b. My Direct Loan interest rate is based on my credit score.
- c. My Direct Loan and Car Loans have identical terms and conditions.
- d. My Direct Loan's interest rate is variable and matches the prime rate.

Selected Answer :

- a. My Direct Loan's interest rate is fixed based off the first disbursement date of my loan and the rates are set yearly by Congress.

When you borrow Federal Loans you will be required to pay which of the following?

Answer : d. All of the above.

Options :

- a. The loan disbursement amounts.
- b. The loan origination fees.
- c. My accrued loan interest.
- d. All of the above.

Selected Answer :

- d. All of the above.

The Master Promissory Note (MPN):

Answer : a. Contains the rights and responsibilities for my student loan.

Options :

- a. Contains the rights and responsibilities for my student loan.
- b. Can never be revoked.
- c. Must be signed each term.
- d. Does not expire.

Selected Answer :

- a. Contains the rights and responsibilities for my student loan.

Which of the following is true:

Answer : a. Loan Limits for Direct Subsidized and Unsubsidized Loans are based on grade level and dependency status.

Options :

- a. Loan Limits for Direct Subsidized and Unsubsidized Loans are based on grade level and dependency status.
- b. Students' aggregate loan limits are the same for Dependent and Independent students.
- c. There are no loan limits for Direct Subsidized and Unsubsidized Loans.
- d. All of the above.
- e. A and B above.

Selected Answer :

- a. Loan Limits for Direct Subsidized and Unsubsidized Loans are based on grade level and dependency status.

My loan disburses:

Answer : b. In multiple disbursements throughout my loan period.

Options :

- a. All in one amount at the beginning of my program.
- b. In multiple disbursements throughout my loan period.
- c. As soon as I complete my first academic year.
- d. Whenever I tell my lender to send the money.

Selected Answer :

- b. In multiple disbursements throughout my loan period.

I am entitled to reduce or cancel my loan at any time before I receive the loan funds

Answer : b. True

Options :

- a. False
- b. True

Selected Answer :

- b. True

I don't have to repay my loan if:

Answer : e. None of the above.

Options :

- a. I do not complete my education.
- b. I am not employed upon completion of my studies.
- c. The education I received did not meet my expectations.
- d. I withdraw from school.
- e. None of the above.

Selected Answer :

- e. None of the above.

If I withdraw from school:

Answer : c. Both A and B.

Options :

- a. The school must calculate how much aid was earned based on my last date of attendance.
- b. The school may have to return part of my disbursed aid depending on my eligibility.
- c. Both A and B.
- d. I do not need to repay my loans if I withdraw from school.

Selected Answer :

- c. Both A and B.

I must maintain satisfactory academic progress by:

Answer : c. Both A and B.

Options :

- a. Staying within the school's maximum time frame for program completion.
- b. Meeting a minimum grade point average and progression standards based on my school's catalog.
- c. Both A and B.
- d. Completing extra credit projects.

Selected Answer :

- c. Both A and B.

Which of the following repayment options requires a minimum monthly payment of \$50 and has a maximum repayment period of 10 years?

Answer : c. Standard repayment

Options :

- a. Extended repayment
- b. Graduated repayment
- c. Standard repayment
- d. Income sensitive

Selected Answer :

- c. Standard repayment

If I use my six-month grace period on my current loan(s) and enter repayment, then return to school the next year:

Answer : d. I will receive a new six-month grace period on my new loans, but I will no longer have a grace period on my current loans.

Options :

- a. My current loans will automatically be deferred once I start school.
- b. My new loan will be forgiven when I finish school.
- c. I will receive a new six-month grace period on my old loans if I borrow a new loan.
- d. I will receive a new six-month grace period on my new loans, but I will no longer have a grace period on my current loans.

Selected Answer :

- d. I will receive a new six-month grace period on my new loans, but I will no longer have a grace period on my current loans.

The following statement(s) about repayment of Direct Federal Loans is true:

Answer : d. All of the above.

Options :

- a. There are several different types of repayment plans.
- b. If I do not select a repayment plan, and currently do not have any active Direct Loans, my loans will automatically be placed in the Standard Repayment Plan.
- c. Once I start repaying my loan, I can change to another type of repayment plan, if I am eligible for the conditions of the plan.
- d. All of the above.

Selected Answer :

- d. All of the above.

Prepayment of my student loan:

Answer : a. May substantially reduce my interest costs.

Options :

- a. May substantially reduce my interest costs.
- b. Starts my grace period early.
- c. Will require that I sign a new promissory note.
- d. May result in additional fees and costs.

Selected Answer :

- a. May substantially reduce my interest costs.

If I borrowed a Direct Loan, I will begin repaying my student loans:

Answer : d. When my grace period ends on my Direct Subsidized or Unsubsidized Loan or after my six month deferment of payment on my Direct Grad PLUS loan.

Options :

- a. As soon as I graduate.
- b. When I can afford the payments.
- c. After my first loan disbursements.
- d. When my grace period ends on my Direct Subsidized or Unsubsidized Loan or after my six month deferment of payment on my Direct Grad PLUS loan.

Selected Answer :

- d. When my grace period ends on my Direct Subsidized or Unsubsidized Loan or after my six month deferment of payment on my Direct Grad PLUS loan.

I should notify the Direct Loan Servicing Center at (800) 433-3243 or (800) 4FED-AID when:

Answer : d. Both A and B.

Options :

- a. I am having trouble making payments.
- b. My address changes.
- c. I complete a course in personal finance.
- d. Both A and B.

Selected Answer :

- d. Both A and B.

When I have been granted a deferment, it means

Answer : b. My regular monthly payment is temporarily suspended.

Options :

- a. My loan has been cancelled.
- b. My regular monthly payment is temporarily suspended.
- c. My parents will pay my interest.
- d. Both B and C.

Selected Answer :

- b. My regular monthly payment is temporarily suspended.

If I have been granted forbearance:

Answer : a. My lender has temporarily reduced or suspended my regular payments.

Options :

- a. My lender has temporarily reduced or suspended my regular payments.
- b. I cannot make any payment on my loan until my school contacts me.
- c. The interest on my loan will not accrue during the forbearance.
- d. I no longer need to repay my loan.

Selected Answer :

- a. My lender has temporarily reduced or suspended my regular payments.

When experiencing trouble making payments you should:

Answer : e. Both A and B.

Options :

- a. Contact the Direct Loan Servicing Center or my school's Higher Education Loan Planning team to immediately to check on a possible deferment or forbearance.
- b. Continue making payments until the deferment or forbearance is approved.
- c. Cease making payments until you are able to obtain a deferment or forbearance.
- d. Write a letter to the school you were attending when you borrowed the loan.
- e. Both A and B.

Selected Answer :

- e. Both A and B.

If I default on my loan:

Answer : e. All of the above.

Options :

- a. My credit rating will be damaged.
- b. I will lose eligibility for Federal Aid until I am back in good standing with my loan.
- c. My employment wages can be garnished from my pay check.
- d. My Federal tax return can be withheld.
- e. All of the above.

Selected Answer :

- e. All of the above.

What is a reason not to call the Direct Loan Servicing Center?

Answer : a. To get a loan on a car or mortgage.

Options :

- a. To get a loan on a car or mortgage.
- b. If you have a problem making a payment on time.
- c. If you transfer to a new school and need a loan deferment.
- d. If you change your name.
- e. If you change your address.

Selected Answer :

- a. To get a loan on a car or mortgage.