In addition to the summary statement itemizing your loan indebtedness sent to you under separate cover, this Loan Counseling information outlines certain responsibilities. You may always prepay your student loans at any time without incurring a financial penalty.

A Consolidation Loan allows borrowers to pay off multiple Federal loans with one new fixed-rate loan. Consolidation is often done for convenience or to lower monthly payments through extended repayment. However, extended repayment will result in greater amounts of interest paid. The interest rate of a Consolidation Loan is determined by the weighted average of the interest rates of the loans being consolidated, rounded up to the nearest 1/8th of one percent, capped at 8.25%. If you still have Stafford Loans through the FFELP Program and want to make all of your loan payments eligible for the Public Service Loan Forgiveness Program, you will want to convert your FFELP Loans into Direct Loans via a Federal Direct Loan Consolidation. Please be aware that the Federal Direct Loan Consolidation Program is the only loan consolidation program that offers loan repayment options such as the Income Based Repayment Plan or the Pay As You Earn Plan, and which allows you to convert your FFELP Loans into Direct Loans for purposes of making your repayment amounts eligible for the Public Service Loan Forgiveness Program. Private Loan consolidation programs through outside lenders, such as banks, do not have these repayment benefits. For more information on Federal Direct Loan Consolidation, visit https://studentaid.ed.gov/sa/repay-loans/consolidation

Responsibilities

* When you accepted your student loan, you incurred a financial obligation that must be repaid, BUT HELP IS ALWAYS AVAILABLE. Repayment of your loan on a timely basis is very important and will help you establish and maintain a good credit rating. Also, lenders/servicers may offer interest rate reduction incentives for students establishing a record of on-time payment.

* If you qualify for deferments, be certain to submit all completed deferment forms to the appropriate lender(s) or loan servicer(s), PUNCTUALLY, in order to avoid being placed in a delinquent or default situation. You may have to complete these forms on a regular basis subject to the conditions of your particular lender or loan servicer. Contact your lender or loan servicer promptly with each change in your address, if you have questions or if you plan to pursue your education further.

* Avoid taking on new debt during your grace period so that you will be able to make your student loan payments while keeping within your budget.

* If you experience difficulties in meeting your obligation to repay your loan, contact your lender or loan servicer immediately for advice and assistance. There should never be a "nowhere to turn" situation. Solving your problems may be easier than you think. If you are having difficulties meeting your monthly payments or your residency is for a longer period than a qualified deferment is available, you are eligible to apply for FORBEARANCE from your lender. Lenders are required to grant Forbearance (temporary adjustment to repayment schedule for cases of financial hardship) upon borrower request to medical interns and residents throughout the duration of residency regardless of the length of residency. Contact your lender or loan servicer to request a Residency Forbearance.

* If you allow your loan payments to become delinquent, it will be reflected adversely on a credit report. If a delinquency is allowed to continue for 270 days, you will find yourself in a default situation. When a default occurs, your future borrowing ability will be suspended, legal action may be taken against you, income tax refunds and school transcripts may be withheld and you will not be eligible for Medicare payments for your services. Please contact your lender or loan servicer to seek assistance before your difficulties escalate.

Additional assistance on Federal loan programs may be obtained through the Department of Education’s assistance site at https://studentaid.ed.gov/sa/repay-loans/disputes/prepare or at the toll-free line at 1-877-557-2575.