

## **THE REPAYMENT OF YOUR UNIVERSITY LONG-TERM LOAN**

This guide outlines your rights and responsibilities in repaying your loan. This is vital information to understand to prevent default on your loan.

The type of University Long-Term Loan you borrowed is dependent on which account the funds were drawn from and the regulations in effect at the time you borrowed the funds.

### **EXIT COUNSELING**

You must complete Exit Counseling on your loan(s) prior to your departure from MU, become non-degree seeking, or if your enrollment at MU drops to less than half time. A hold is placed on transcript requests until our office receives all necessary documents and information.

### **GRACE PERIOD**

The period of time between graduation (or ceasing to be enrolled at least half time or become non-degree seeking) and the beginning of loan repayment is called the grace period. Borrowers who separated (graduated, withdrew, became non-degree seeking, or dropped to less than half time enrollment) from MU prior to 07/01/2001 have a 3-month grace period. Borrowers who separated from MU on or after 07/01/2001 have a 6-month grace period. Payments are not required during grace periods.

### **INTEREST**

The interest rate on University Long Term Loans is 8%, unless otherwise stated on your promissory note. Interest is computed on the unpaid principal balance. Any extra payments you make toward principal will reduce the amount of interest you will pay over the life of the loan. ***Interest begins to accrue at the end of the grace period, but BEFORE the first payment is due.***

### **LENGTH OF REPAYMENT**

Borrowers who separated (graduated, withdrew, became non-degree seeking, or dropped to less than half time enrollment) from MU prior to 07/01/2001 must repay their loans at a minimum payment of \$50.00/month or at a payment amount which will repay the loan in 5 years, whichever is higher. Borrowers who separated from MU on or after 07/01/2001 must repay their loans at a minimum payment of \$50.00/month or at a payment amount which will repay the loan in 7 years, whichever is higher.

### **REPAYMENT**

The first payment due, your minimum payment amount, and term of the loan is on your truth-in-lending form provided to you during exit counseling.

The total amount of interest indicated on the truth-in-lending statement assumes payments are received on the 1st day of every month as outlined on the truth-in-lending form. The actual amount of interest paid will depend on the date payments are received.

Payments are applied to any interest and/or fees outstanding, then towards principal. You may prepay at anytime without penalty. If you want to pay ahead, you must include a note specifying this along with your payment.

### **THE BILLING PROCESS**

Once your loan enters repayment you will be sent a billing statement each month. Bills are computed around the 12th of the month and are due on the 1st, approximately 2 weeks later.

**A payment is required each month.** Payments received are first applied to the amount billed. Any extra payments will be applied to principal and **not** to future payments unless sent to 14 Jesse Hall with a note specifying how to apply.

Failure to submit your payments on time may result in late charges being assessed to each loan. Any payments returned to us as unpaid will be assessed a \$20.00 service charge. **YOU ARE RESPONSIBLE FOR MAKING YOUR LOAN PAYMENT EACH MONTH EVEN IF YOU DO NOT RECEIVE A BILL.**

### **CREDIT BUREAU REPORTING**

All student loans are reported to a national credit bureau monthly. If you are current on your loan payments you will establish a good credit history. If your loan become past due, the delinquency is reported to a credit bureau. Past due reportings will effect your ability to take out other loans such as a mortgage or car loan. Some employers and landlords use credit ratings in their decisions to employ and rent.

### **FORBEARANCE**

A temporary period of time where principal payments are deferred for periods up to 6 months and cannot exceed 3 years cumulatively. Must pay monthly interest as it accrues. Must meet hardship criteria to be eligible for forbearance.

### **DEFERMENT**

A deferment is an authorized period of time during which payments are not required and interest does not accrue. Any payments made during this period will be applied to principal.

A listing of deferments available on University Long Term Loans is on the reverse of this page. To qualify for deferment your loan(s) must be in current status. You must notify our office if you feel you qualify for deferment. You can notify us in writing by completing the bottom portion of your billing statement or by sending us a note requesting deferment. Additional forms and/or information may be required. Once our office receives all the necessary information and documents, your loan is put in "pre-deferment." During pre-deferment, billing is delayed. Prior to the end of the pre-deferment period we will send you a deferment form. The deferment form must be completed and certified by the appropriate official. **The certified deferment form must be received in our office by the due date to finalize your deferment.** Certified deferment forms for student status must be completed each semester.

If you discontinue the activity for which your loan was deferred, you must notify us immediately. Your loan will only qualify for deferment for the period that you engaged in the activity. All other periods of deferment will be removed from your loan. Late notification could result in your loan becoming delinquent.

Failure to submit deferment and cancellation forms by the due date may result in late charges and negative credit bureau reporting. If the certified deferment form is not received in our office by the due date, the "pre-deferment" is removed from your account and you will be billed for all the previous months that had been "pre-deferred." Your account would immediately be considered past due. Because we report all loan accounts to the credit bureau monthly, your account would be reported to the credit bureau as extremely past due.

### **POST DEFERMENT GRACE PERIOD**

There is a 6- month grace period after a deferment is finalized on a loan. No payments are due and interest does not accrue.

*If you have a disability and need this publication in an alternate format, please contact us. Reasonable efforts will be made to accommodate your needs.*

## GUIDE TO PREVENTING DEFAULT

*The key to preventing default is COMMUNICATION!!*

**Payments** - It is your responsibility to repay your loan in accordance with the truth-in-lending statement. Payments are due on the 1<sup>st</sup> day of each month.

**Credit Reporting** – All loans, whether current or past due, are reported to a national credit bureau each month beginning with the date of disbursement.

**Your Contact Information** - It is your responsibility to immediately inform the MU Student Loan Repayment Center of any change in name, address, telephone number, or social security number. This may be done online at [www.ecsi.net](http://www.ecsi.net) or by noting changes on your billing statement, calling our office, or sending notification in writing to our office (name & SSN changes require written documentation). **Changing your address with one office of the University does not assure that all offices will receive this information.**

**Payment Difficulties** - Contact our office if you cannot make a payment. Our trained loan advisors will work with you to make payment, deferment or forbearance arrangements.

**Default** - Should you miss two payments, your loan will be considered in default. Your loan can be "accelerated" and sent to a collection agency. "Accelerated" means your loan becomes due in full. When a loan is accelerated, deferment and cancellation privileges are lost. You will have to pay the collection agency's commission on your loan, which can be very high. You can be taken to court and may have to pay all attorney fees and court costs.

**Transcripts** - MU will not release a transcript for any borrower who is past due on loan payments, has incomplete exit counseling paperwork and/or is in default on an account with MU.

**Deferment/Cancellation** - Failure to follow procedures explained in your promissory note and this brochure may result in denial of deferment/cancellation privileges

### DEFERMENTS for UNIVERSITY LONG TERM LOANS

**Student** – regularly enrolled as a degree seeking student at least half time at an eligible institution. Effective 07/01/01

**Economic Hardship** – must meet income and student loan debt level criteria. 3 year limit

**Military** - if you are called to active duty due to war or other qualified military operation or national emergency. 3 year limit.

**Disability** - temporarily totally disabled. 3 year limit.

### CANCELLATIONS for UNIVERSITY LONG TERM LOANS

**Death of the borrower** - certified copy of the death certificate is required for cancellation. 100% cancellation.

**Total and Permanent Disability** - borrower is unable to work and earn money because of an impairment that is expected to continue indefinitely or result in death. Physician certification and documentation is required. 100% cancellation.

The University of Missouri has contracted with ECSI to service its student loans. If you have questions about your loan, please contact the below:

University of Missouri-Columbia/ECSI  
181 Montour Run Road  
Coraopolis, PA 15108  
Phone: 1-888-549-3274

Access your account online at: [www.ecsi.net](http://www.ecsi.net)

If you have problems contacting ECSI, you may also contact us directly at:

MU Student Loan Repayment Center  
14 Jesse Hall  
Columbia, MO 65211-1020  
Phone: 573-882-6654  
Email: [muloans@missouri.edu](mailto:muloans@missouri.edu)



# UNIVERSITY LONG-TERM LOAN

## RIGHTS AND RESPONSIBILITIES

