

THE REPAYMENT OF YOUR NURSING LOAN

This guide has been prepared to help you understand your rights and obligations in repaying your loan. This information explains terms you will be exposed to during repayment, your rights to deferment and cancellation of your loan and your responsibilities in repaying your loan. This is vital information to follow to prevent DEFAULT. PLEASE take the time to READ this brochure.

The type of Nursing Loan you borrowed is located at the top right of your promissory. It will read NURB (for undergraduate Nursing degrees) or NURG (for graduate Nursing degrees) with two numbers following. The type of Nursing Loan you borrowed is dependent on the Nursing Loan regulations in effect at the time you borrowed the loan.

GRACE PERIODS – A grace period is the period of time between graduation or ceasing to be enrolled half-time in **nursing** and the beginning of your loan repayment. NURB34, NURB40, NURG34 and NURG40 loans have a 9-month grace period. You are not required to make payments during the grace period. Any payments made during the grace period before your first month of interest accrues will be applied toward your principal. The grace period cannot be extended beyond the length of time stated in the promissory note.

INTEREST RATE -- The interest rate on the NURB34, NURB40, NURG34 and NURG40 loans is 5%. Interest is computed on the unpaid principal balance at the time of billing. Any extra payments you make toward principal will reduce the amount of interest you will pay over the life of the loan.



EXIT COUNSELING & YOUR REPAYMENT SCHEDULE

Federal regulations require you to complete an exit counseling session on your loans prior to your departure from MU or if your enrollment at MU drops to less than half-time. During an exit counseling session you will receive 2 copies of a "Rights & Responsibility Checklist" for your loan(s). One copy is for your own records and the other copy stamped "Hold on transcripts" must be signed, dated and returned to our office. A hold is placed on any transcript requests until our office receives a signed "Rights & Responsibility Checklist" for your loan(s) and a completed "Personal Data Sheet" to satisfy your exit counseling requirement at MU.

During your exit counseling you will be given a repayment schedule for each of your loans. The top section of each repayment schedule indicates the type of loan, original principal balance, beginning due date and installment amount. The number of payments is listed down the left-hand side in the first column. The last number in the column indicates the number of months you have to repay this loan. The due dates are listed to the immediate right of the payment number. All payments are due on the 1st of each month.

The total amount of interest that you will pay over the life of your loan depends on the date payments are received. The total amount of interest shown on the bottom of your repayment schedule assumes that payments are received according to the repayment schedule on the 1st of day of every month.

THE BILLING PROCESS

Once your loan enters repayment you will be sent a billing statement monthly. Bills are computed on the **15th** of the month and all payments are due on the **1st of each month**. Failure to submit your payment by the due date will result in late charges being assessed to each loan.



Your billing statement has 3 parts. The top part is to be returned with your payment. The middle part gives information about your loans including the amount due. The middle part also contains the "message" section. This section prints messages about each of your loans. The bottom part of your billing statement is used to report address and name changes to our office. It is also used to request postponement if you are performing an activity that will qualify for deferment or partial loan cancellation.

A return envelope is included with your billing statement. When you use this envelope you are sending your payment to a bank that processes payments for us (also known as a "lockbox").



A payment is required each month. If you wish to make a payment in an amount other than what is billed, then it must be sent directly to our office in 15 Jesse. The lockbox processing facility cannot direct payments towards specific loans. 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 15 Jesse Hall with a note specifying how to apply.

A check returned to us as unpaid or a rejected ACH (*EasyPay*) transaction 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. The status of all loan accounts is reported to a national credit bureau monthly. If you are current on your loan payments you will establish good credit history. However, if you are past due on your loan payments, the delinquency is reported to the credit bureau and it will effect your ability to take out other loans such as a mortgage or car loan. It will also effect your ability to get credit cards.



DEFERMENT/CANCELLATIONS

A **DEFERMENT** is an authorized period of time during which payments may be delayed and interest does not accrue. Any payments made during this period will be applied to principal. To qualify for deferment you must be performing the specific activity and your account must be in current status. You must notify our office if you feel you qualify for one of the types of deferment. You can notify us in writing by completing the bottom portion of your billing statement or by sending us a note stating the activity you are performing and the time period for that activity. Once our office receives your notification and approves it, your account is put in "**deferment**." If more information is required before your account can be placed in deferment we will send you a form requesting more information. Prior to the end of the deferment period, we will send you a form applicable to the type of deferment you requested. This is called a "deferment form." The deferment form must be completed and certified by the appropriate official (such as your school's registrar) to verify that you were performing the qualifying activity. **The certified deferment form must be received in our office by the due date to finalize your deferment.** Certified deferment forms must be completed every 6 months or annually depending on the type of deferment. Certified deferment forms for student status must be completed each semester.



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



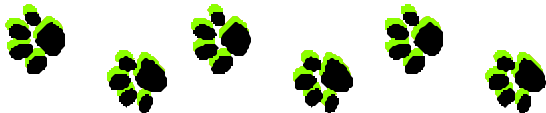
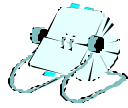
If you cease to perform the activity for which your account was deferred, you must notify the Student Loan Collections office immediately! Your loan will only qualify for deferment for the period that you were doing the qualifying activity.

Under certain conditions you may have a portion of your loan canceled based on the criteria below specific to the particular type of loan you owe. However, the cancellations based on serving in a shortage area are not in effect at this time. Should funding become available from the Department of Health and Human Services we will enact the cancellations and notify all possibly qualified borrowers.

**YOUR OBLIGATIONS...
GUIDE TO PREVENTING DEFAULT**

The key to preventing default is COMMUNICATION!!

1. It is your responsibility to repay your loan in accordance with the repayment schedule. Payments are due on the 1st day of each month.
2. All loans, whether current or past due, are reported to a national credit bureau monthly beginning with the date of disbursement. Past due ratings stay on your credit report for 7 years.
3. It is your responsibility to inform the University of Missouri-Columbia, Student Loan Collections Office immediately of any change in name, address, telephone number, or social security number. This may be done by noting any changes on your billing statement, calling our office, or sending it in writing to our office (name changes must be in writing). **Changing your address with one office of the University does not assure all offices will receive this information.**
4. Contact our office IMMEDIATELY when you cannot make a payment. Our trained collection staff will work with you. However, **YOU HAVE TO CONTACT US IN ORDER FOR US TO HELP YOU!**
5. 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 become due in full and you will no longer be entitled to make monthly payments. You will also lose your right to deferments and cancellations. You will have to pay the collection agency commission on your loan. Some commissions can be as high as 50%. You can be taken to court and would have to pay all attorney fees and court costs. Attorney fees can be as high as 54%. Your loan can be assigned to the Department of Health and Human Services (DHHS). DHHS can garnish your wages and take your income tax refund.
6. MU will not release a transcript for any borrower who is past due on loan payments, has incomplete exit interview paperwork and/or a loan assigned to the Department of Health and Human Services.
7. There are no statute of limitations on student loans, which means that we can pursue collection of your student loan until you pass away!
8. Failure to follow deferment or cancellation guidelines explained in your promissory note and this brochure may result in denial of deferment and cancellation privileges.



DEFERMENTS*
10 Yr. Limit – Full or half time course of study at a collegiate school of nursing leading to a baccalaureate degree in nursing or equivalent, or a graduate degree in nursing, or otherwise pursues advanced professional training in nursing or training to be a nurse anesthetist.
3 Yr. Limit – Peace Corps Volunteer; Active duty in uniformed service of the United States
CANCELLATIONS*
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.
Partial cancellation for yearly service in Nursing shortage area designated by the DHHS. Funding is not available at this time. You will be contacted should you qualify upon available funding.

*The above descriptions are a brief summary of cancellations available. More restrictions may apply.



University of Missouri-Columbia
Student Loan Collections
15 Jesse Hall
Columbia, MO 65211-1020
Phone: 573-882-6654

Web address: muloans.missouri.edu
Email address: muloans@missouri.edu

Office Hours: 8:00 to 4:30 - Sept. to May
7:30 to 4:00 - Summer

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AND
RESPONSIBILITIES
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