

FACTS ON THE REPAYMENT OF YOUR HEALTH PROFESSION PRIMARY CARE LOAN

This guide has been prepared to help you understand your rights and obligations in repaying your loan. This is vital information to read and follow to prevent DEFAULT.

The type of Health Profession Primary Care Loan you borrowed is indicated on your promissory note and repayment schedule. It will read HPLC with two numbers following. The type of Health Profession Primary Care Loan you borrowed is dependent on the Health Profession Loan regulations in effect at the time you borrowed the loan.

GRACE PERIOD—A grace period is the period of time between graduation or ceasing to be enrolled half-time and the beginning of your loan repayment. HPLC34 and HPLC40 loans have a 12-month grace period. You are not required to make payments during the grace period. Any payments made during the grace period before 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 HPLC34, and HPLC40 loans is 5%. 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.



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 as a medical student 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 BILLING PROCESS

Once your loan enters repayment you will be sent a billing statement monthly. Bills are computed on the **15th** of the month (or the first working day previous if the **15th** is on a weekend or holiday) and all payments are due on the **1st of each month**, approximately 2 weeks later. Failure to submit your payment by the due date may 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 provides information about your loans including the amount currently due and any past due amounts. The middle part also contains the "message" section, which prints messages about each of your loans. The bottom portion of your billing statement is used to report address and name changes to our office. It is also used to request deferment 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 the 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 a 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

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 "**pre-deferment**." If more information is required before your account can be placed in pre-deferment we will contact you. Prior to the end of the pre-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.



If you cease to perform the activity for which your account was pre-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.

Failure to submit deferment 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 "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 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.



CERTIFICATION OF PRIMARY CARE PRACTICE

Once you have entered and completed your residency training in an acceptable primary care area then you must practice in an acceptable primary health care area until your loan is paid in full. Our office will send you a form entitled "Certification of Primary Care Practice". The first form will be sent to you upon completion of your residency training program when your Primary Care Loan goes into repayment. Succeeding forms will be sent to you annually based on the month that you originally entered repayment. You must certify that you are practicing in a primary care area and return the form to our office by the due date written on the form. (You will generally have 3 weeks to complete the form and return it to our office).

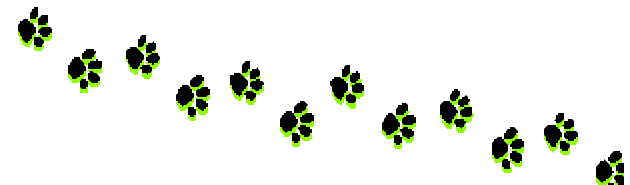


Listed below are compliance regulations and the consequences of non-compliance applicable to the different types of Health Profession Primary Care Loans.

HPLC34 and HPLC40 - Borrower must enter and complete a residency training program in primary health care no later than 4 years after the date on which the borrower graduates from the institution. Applicable deferments **DO NOT** extend the 4 year time limit.

Consequences of non-compliance on the HPLC34 - The balance due on the loan is re-computed from the date the loan was issued, using the original principal borrowed and applying a 12% annual interest rate. Total loan must be repaid within 3 years of the date the borrower was in non-compliance. Interest shall accrue, including any periods of deferment, from the date of disbursement. Borrower is no longer eligible for deferments.

Consequences of non-compliance on the HPLC40 - The loan will accrue interest at a rate of 18% per year beginning on the date of non-compliance and ending when the loan is paid-in-full. Length of repayment time does not change due to non-compliance. Borrower is not eligible for deferments.

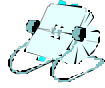




YOUR OBLIGATIONS... GUIDE TO PREVENTING DEFAULT

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.
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 & SSN changes require written documentation). **Changing your address with one office of the University does not assure that 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 becomes due in full and you would no longer be entitled to make monthly payments. You would also lose your right to deferments and cancellations. You would have to pay the collection agency's commission on your loan. Some commissions can be as high as 50%. You could be taken to court and would have to pay all attorney fees and court costs. Your loan could 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 counseling paperwork, and/or a loan assigned to the U.S. Department of Health and Human Services.
7. There is 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* (for HPLC34 & HPLC40 loans)
No Limit – Full time course of study in a primary care program at a Health Profession School with a Health Professions Program.
4 Yr. Limit -- Internship and Residency in Primary Health Care (PHC)
No Limit -- Advanced Profession Training in PHC
2 Yr. Limit -- Fellowship directly related to PHC engaged in by the borrower within 12 months after completion of borrower's participation in advanced professional training
2 Yr. Limit -- Leave of absence with intent to return to full time course of study in a primary care program at a Health Profession School with a Health Professions Program.
3 Yr. Limit – Peace Corps Volunteer; Active duty in uniformed service of the United States
CANCELLATIONS* for all HPL 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 above descriptions are a brief summary of deferments and cancellations available on the more common HP loans. More restrictions may apply than listed above. See our website or contact our office if you have a HP loan not listed.

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

Web address: www.missouri.edu/~muloans/
 Email address: UMCLOans@missouri.edu

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

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.

YOUR RIGHTS AND RESPONSIBILITIES IN THE REPAYMENT OF YOUR HEALTH PROFESSION PRIMARY CARE LOAN

