

FACTS ON THE REPAYMENT OF YOUR UNIVERSITY LONG-TERM 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 University Long-term Loan you borrowed is located at the bottom left of your promissory note (#### - ##). 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.

ORIGINAL GRACE PERIOD –The period of time between graduation (or ceasing to be enrolled at least half time) and the beginning of loan repayment. Borrowers who separated (graduated, withdrew, or dropped to less than half time enrollment) from the MU prior to 07/01/2001 have a 3-month grace period. Borrowers who separated (graduated, withdrew, or dropped to less than half time enrollment) from the MU on or after 07/01/2001 have a 6-month grace period. You are not required to make payments during the grace period. Any payments made during the grace period, before interest begins to accrue, will be applied toward principal.

INTEREST RATE – The interest rate on University Long-Term Loans is 8% per year, unless otherwise noted on your promissory note. Interest is computed daily 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. All payments are applied to any interest or fees outstanding and then toward principal.

EXIT COUNSELING

Federal regulations require you to complete exit counseling on your loans prior to your departure from MU or if your enrollment at MU drops to less than half-time. During exit counseling you will receive 2 copies of a “Rights & Responsibility Checklist” for your loan(s). One copy is for your records and the other copy stamped “Hold on transcripts” must be signed, dated and returned to our office. A hold is placed on 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 exit counseling you will be given a repayment schedule for each of your loans. Repayment schedules indicate the type of loan, original principal balance, due dates 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.

LENGTH OF REPAYMENT – Borrowers who separated (graduated, withdrew, or dropped to less than half time enrollment) from the 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 (graduated, withdrew, or dropped to less than half time enrollment) from the 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.

THE BILLING PROCESS

Once your loan enters repayment you will be sent a billing statement each month. Bills are computed on the 15th of the month and are due on the 1st, 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 due. 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.

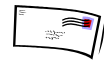
A return envelope is included with your billing statement. When you use this envelope you are sending your payment to a bank that processes the payments for us (also known as a "lockbox").

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.

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. 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.

If you become past due on your loan payments, the delinquency is reported to a credit bureau. Past due reporting 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 in which payments may be delayed and interest does not accrue. Any payments made during this period will be applied to principal.



To qualify for student deferment you must be enrolled at least half time as a regular degree seeking student at an eligible institution and your loan(s) must be in current status. You must notify our office if you feel you qualify for student deferment. You can notify us in writing by completing the bottom portion of your billing statement or by sending us a note requesting student deferment. Please include the name of the institution where you are enrolled and its U.S. Department of Education School Code, your enrollment status, and the beginning and expected ending dates of your enrollment. Once our office receives all the necessary information, your account 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 student deferment form. The deferment form must be completed and certified by the appropriate official at your school's registrar office to verify your enrollment status. **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 cease to be enrolled at least half time for the period 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 enrolled at least half time as a degree seeking student at an eligible institution.

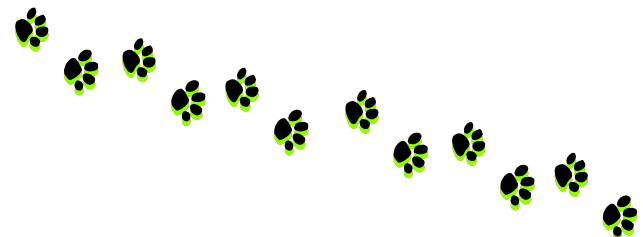
Failure to submit student deferment forms by the due date will result in negative credit bureau reporting. If we do not receive the certified deferment form in our office by the due date, the "pre-deferment" is removed from your account and you will be billed for all the previous months that had been "pre-deferred." Your account would immediately be considered extremely past due.



Because we report all loan accounts to 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 student deferment has been processed on a loan. No payments are due during the post deferment grace period as described in the original grace period previously.



CONSOLIDATION – University Long-term loans are not eligible for consolidation.





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 MU, 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 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.** 
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. You will also lose your right to deferments. You will have to pay the collection agency's commission on your loan. Some commissions can be as high as 50%. You can be taken to court and will have to pay all attorney fees and court costs. Your wages can also be garnished if you are an employee of the University of Missouri system.
6. MU will not release a transcript for any borrower who is past due on loan payments, has incomplete exit counseling paperwork and/or has a bad debt with the University of Missouri-Columbia.
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 procedures explained in your promissory note and this brochure may result in denial of deferment privileges.



DEFERMENTS for UNIVERSITY LONG TERM LOANS
No limit – enrolled as a degree seeking student at least half time at an eligible institution. Effective 07/01/01
3 yr. Limit – economic hardship, must meet qualifications regarding income and federal loan debt level
3 yr. limit - effective 07/01/06 if you are called to active duty due to war or other qualified military operation or national emergency.
3 year limit - temporarily totally disabled
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.



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

Web address: <http://muloans.missouri.edu>
E-mail address: muloans@missouri.edu

Office Hours: 8:00 to 5:00

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YOUR RIGHTS AND RESPONSIBILITIES IN THE REPAYMENT OF YOUR UNIVERSITY LONG-TERM LOAN

