

North Dakota University System Student Loan Service Center

800-698-7397

slsc.ndus.edu

ndus.slsc@ndus.edu

- The Student Loan Service Center, Fargo, ND was created in 1995 to assist the NDUS colleges and universities with servicing institutional loans.
- Our office contracts services from Heartland Educational Computer Systems, Inc. (ECSI) Coraopolis, PA for billing and payment processing.
 - Web: www.ecsi.net

- You probably have a number of different loans.
 - Federal Subsidized or Unsubsidized Direct Loans
 - Alternative Education Loans
 - Institutional Loans such as:
 - Medical School
 - Health Professionals
 - Perkins Student Loans
- You need to contact each of your lenders or their representative servicer to provide updates to contact information, submit forms and remit payments.

Loan Information Packets

- Student Loan Information Letter – Contains a list of all of the loans to be serviced by the Student Loan Service Center
- **Repayment Schedule(s) (Truth in Lending)**
- **Student Loan Personal Data Sheet (front) and FERPA Release (back).**
- Request for Residency or Fellowship Deferment Form - Return prior to July 10th with documentation from your employer or military commanding officer.
- Student Loan Rights and Responsibilities
- The remaining documents in the packet are copies of your repayment schedules and your promissory notes.

- Grace Period
 - Temporary timeframe in which borrower is free from payment obligation.
 - Depending on the loan interest may or may not continue to accrue
 - Extensions are also provided for borrowers in certain active duty military assignments.
- Repayment Period
 - Timeframe in which the loan must be repaid.
 - American Family Physicians loan is 25 months
 - Perkins, Health Professions and most UND Medical School Loans are 10 years.

- Payment Amounts
 - Perkins and Health Professions – minimum \$40 per month, higher depending on your balance.
 - UND Medical School Loans with grace period – annual payment of $1/10^{\text{th}}$ of the principal amount plus interest accrued to date.
 - UND Medical Center and UND School of Medicine and Health Sciences Loans – first payment is total of all accrued interest, each year thereafter the payment is $1/9^{\text{th}}$ of the principal plus interest accrued to date.
- Federal Loan Consolidation
 - Allows you to combine all eligible loans into one loan with one payment and one servicer.
 - Also extends your repayment period beyond 10 years.

- Loan Cancellation and Discharge
 - In the event of permanent and total disability your loans can be discharged or forgiven.
 - Perkins loans discharges are reviewed and approved by the U.S. Department of Education and are subject to a 3 year conditional discharge period.
 - Health Professions Discharge must be approved by the U.S. Department of Health and Human Services
 - In any case when a Disability Discharge is being requested documentation regarding the disability will be required.
 - In the event of passing the vast majority of loans are discharged as long as documentation (most commonly a death certificate) is obtained.

Your Responsibilities:

- Remit payments on time.
 - Late payments = bad credit history.
- Keep contact information current with your servicer.
- Keep good records. Retain copies of your loan documents and keep receipts for your payments even after the loan has been paid in full.
- Inform us if you are unable to make the required payment
- Submit forms in a timely manner
- Understand consequences for missing payments

Missed Payments = Delinquency and Default

1. A late fee will be applied
2. Holds will be placed on your academic records
3. Credit bureau reporting
4. The loan may be accelerated
5. Lose eligibility for federal financial aid
6. Collection agency referral – responsible for additional collection costs ranging from 18-28% of your balance
7. Lose eligibility for deferment or cancellation
8. Civil lawsuits, wage garnishment and federal treasury payment suspension

Communication is Key

- It is very important that you notify the Student Loan Service Center or ECSI if your name, address, phone number, or email address changes.
- In addition you should notify the Student Loan Service Center if:
 - You are no longer in residency –whether completed or dismissed.
 - You begin a new education or residency program.
 - You change your employer or your employers address changes
 - You change your social security number.
 - You experience any other change that could affect your loan status, such as you gain employment while in an unemployment deferment.

- Like many things in life timing is key.
- Prompt responses to communications from UND, the SLSC or ECSI are important. If you are not sure contact the SLSC to verify what is being requested.
- Failure to respond can cost you \$\$, time and your good credit.

Loan Types

- *Federal Perkins Loan* – for both undergraduate and graduate students with exceptional financial need. Your school is your lender.
 - Perkins loans are eligible for the FEDERAL consolidation program.
 - However consolidation will result in loss of cancellation benefits.
 - 9 Month Grace Period
 - Does NOT accrue interest while in Grace.

Health Professions Loans

1. *Loans for Disadvantaged Students - LDS*

1. Are eligible for the FEDERAL Consolidation program.

2. *Primary Care – PCL*

1. 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.
2. Practice primary health care through the date on which the loan is repaid in full and certify annually that borrower is practicing primary health care.
 1. Primary health care is defined as family, general internal, or preventative medicine, general pediatrics, and osteopathic general practice.
3. Not eligible for FEDERAL Consolidation.

3. The LDS and PCL loans have a 12 month grace period.

UND Medical Student Loans

- There more then 25 different PRIVATE medical loans offered by UND.
- These loans are NOT eligible for FEDERAL Consolidation.
- Most of these loans have a one year grace period prior to the first payment due date.
 - Exception: The *Medical Center Student Loan* and the *UND School of Medicine and Health Sciences Revolving Loan Fund* have grace periods at the end of Residency, if the maximum residency has not been used.
 - The *Academy of Family Physicians Loan* has NO grace period.
 - Requires annual certification of practice.
 - That means that payments and/or deferment forms for these loans must be submitted by July 1st

UND Medical Student Loans Continued

- Billings for the majority of the UND Medical Student loans are on an annual basis.
 - You may request a monthly billing statement if you like
- FOR MOST OF YOUR MEDICAL SCHOOL LOANS INTEREST HAS BEEN ACCRUING SINCE THE DATE OF YOUR LOAN DISBURSEMENT.
- ALL OF THE ACCRUED INTEREST IS DUE WITH YOUR FIRST PAYMENT
 - However you may make monthly interest payments while in deferment to reduce your initial payment.
 - Please contact the SLSC if you would like to set up monthly interest payments.

Solutions for Repayment Problems

- Deferment – a period of time during which your regular payments are suspended. Justification for requests include:
 - Enrolled at least half-time in an eligible education program
 - Graduate in a fellowship program
 - Participating in a rehabilitation training program
 - Military service
 - Unemployment or Economic Hardship
 - Enrolled in a medical residency program
 - Perkins loans do not have a medical residency deferment however you can request a Forbearance.
 - For Perkins and LDS loans a deferment will stop interest accruing. ALL other loans continue to accrue interest.

- Forbearance - like a deferment temporarily suspends your regular payments for a specific time period.
 - Unlike deferment forbearance counts against your repayment period.
 - Forbearance does NOT stop interest accruals
- Rehabilitation for Defaulted Loans
 - Borrower must make 9 consecutive on-time monthly payments.
 - The payment amount is calculated by the SLSC based on outstanding interest, fees and collection costs.
 - Once the rehabilitation is completed the borrower's credit history is updated to remove the default and your account returns to the regular repayment status.
 - Rehabilitation can only be granted once during the life of the loan.

- Read and retain your copy of your promissory note.
- There is no statute of limitations on student loans.
- Student loans cannot be discharged in bankruptcy.

For Help with a Dispute or Problem: The Federal Student Aid (FSA) Ombudsman works with student loan borrowers to resolve loan disputes and problems informally. The goal is to find creative alternatives for borrowers who need help with their federal loans.

- Office of the Ombudsman, Student Financial Assistance,
- U.S. Department of Education, Rm. 30122 ROB #3,
- 7th and D Streets SW,
- Washington, DC 20202-5144
- Toll Free Telephone: 1-877-557-2575
 - or Internet: <http://sfahelp.ed.gov> or <http://ombudsman.ed.gov>

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