

## Important Information About Student Loans

All student loans, whether direct loans or private loans, must be repaid. In addition, once you have borrowed loan funds, there are some important things for you to keep in mind:

- When you borrow federal student loan funds you are agreeing to pay back the amount you borrow (loan principal) and any accumulated interest.
- The first payment will be due six months after you graduate, enroll less than half-time, or withdraw from school.
- If you have trouble repaying your federal student loan, for reasons such as low income, loss of job, etc. you may be eligible for a period of deferment or forbearance, during which no principal payments are due. In certain cases, the interest will accrue and capitalize, in others the interest will be paid by the Federal Government.
- Default occurs if you fail to make a payment on your Direct student loan for 270 days if you repay monthly (or 330 days if your payments are due less frequently). If you default, you may be turned over to a collection agency and reported to a credit bureau, potentially impairing your ability to apply for credit and preventing you from obtaining future student aid. In addition, the entire loan balance will become due immediately and any future income tax refund may be withheld to satisfy the debt to the government.
- The National Labor College does not designate preferred lenders for private student loans. If any student seeks to obtain a private loan from a financial institution of their choosing, the Office of Financial Aid will cooperate in providing the appropriate certification and other required documentation.
- Any NLC student who receives Title IV financial aid is required to undergo entrance and exit counseling.

