

FORM TITLE: FEDERAL DIRECT LOAN COUNSELING TEST

FORM USE: This test is used as part of entrance counseling. It is also used as part of the exit interview package for the purpose of making Federal Direct Loan borrowers aware of their rights and responsibilities as a borrower.

UPDATES: Updated question 12 to reflect the new Saving on a Valuable Education (SAVE) repayment plan.

INSTRUCTIONS:

1. Enter the student's name (please print) and the student's Social Security number (last 4-digits).
2. The student must check the appropriate box to indicate the correct answer(s) to each question.
3. The student must sign and date the test.
4. If the student marks a question incorrectly, the FAO must counsel the student as to the correct answer.
5. The Financial Aid Officer must sign and date the test. The signature and date of the Financial Aid Officer attests that the student has been counseled on any incorrect answers and that the student understands their loan obligations.

PROCESSING INSTRUCTIONS:

A copy of this test must be retained in the student's financial aid file.

COMMENTS: This form is required for default management plans, if applicable.

Federal Direct Loan Counseling Test

[1]

Student's Name (Please Print)

[1]

Social Security Number (Last 4-digits)

[2] 1. I have the following type(s) of loan(s). Check all that apply:

- ☐ Subsidized Federal/Direct Loan
- ☐ Unsubsidized Federal/Direct Loan
- ☐ Federal PLUS/Direct PLUS
- ☐ Federal Grad PLUS/Direct Grad PLUS

#1 – Answer will vary based on the loans that student has accepted.

2. Repayment of a loan may be postponed if you return to school at least half-time and the institution is eligible to participate in federal student aid programs or during periods of unemployment. This is called?

- ☐ Loan Consolidation
- ☐ Deferment
- ☐ Forbearance
- ☐ Additional Loan

3. A temporary postponement of payments or making smaller payments while interest is still accruing is called?

- ☐ Loan Forgiveness
- ☐ Forbearance
- ☐ Loan Consolidation
- ☐ Deferment

4. The definition of Loan Consolidation is:

- ☐ Combining all federal student loans into one new loan
- ☐ Paying only the interest
- ☐ Paying off your loan early
- ☐ When loans are discharged for working in a designated public school service profession

5. A Master Promissory Note (MPN) is:

- ☐ Your promise to repay the federal student loan(s)
- ☐ Part of the Entrance and Exit Loan Counseling process
- ☐ Your authorization to have the funds from your federal student loan credited to your account by your academic institution
- ☐ All of the above

6. What is the maximum time frame to repay my Federal Stafford (FFEL) / Direct Loan if I choose the Standard Repayment Plan option?

- ☐ 10 years
- ☐ 5 years
- ☐ 20 years
- ☐ 25 years

Federal Direct Loan Counseling Test

7. As a Dependent Undergraduate student, what is the maximum annual Subsidized Loan amount a First Year student can borrow?
- ☐ \$3000
 - ☐ \$3250
 - ☐ \$3500
 - ☐ \$3750
8. When must I begin repaying back the principal amount of my Federal Student Loan(s)?
- ☐ 30 days after the funds are applied to my account
 - ☐ 6 months after dropping below full-time status
 - ☐ 6 months after dropping below half-time status
 - ☐ The day the funds are applied to my student account
9. What is the minimum monthly repayment I will need to make if I chose the Standard Repayment Plan option?
- ☐ \$100
 - ☐ \$50
 - ☐ \$75
 - ☐ \$35
10. Under what circumstances should I contact Direct Loans at <https://studentaid.gov> to keep my loans in good standing?
- ☐ Change of name
 - ☐ Change of phone number
 - ☐ Do not enroll at least half-time
 - ☐ All of the above
11. What is the grace period for repayment on the principle amount borrowed for both the Subsidized and Unsubsidized loans?
- ☐ 30 days
 - ☐ 12 months
 - ☐ 6 months
 - ☐ 3 months
12. Which is a type of repayment plan option available to students?
- ☐ Saving on a Valuable Education (SAVE)
 - ☐ Variable
 - ☐ Fixed
 - ☐ Staggered

Federal Direct Loan Counseling Test

13. Which one of these outcomes will NOT happen if I default on my student loan?

- ☐ I may be sued, have my wages garnished, and tax refund seized
- ☐ Car will be repossessed
- ☐ I will not be eligible for future financial aid
- ☐ Loans will be due in full

[3]

Student's Signature

[3]

Date

CERTIFICATION [4]

I have graded this test and any wrong answers have been discussed with the student. The student understands their loan obligations.

[5]

Financial Aid Officer's Signature

[5]

Date

Federal Direct Loan Counseling Test

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Social Security Number (Last 4-digits)

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