



## PRIVATE EDUCATIONAL LOAN ENTRANCE COUNSELING

First Name: \_\_\_\_\_ Middle Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Student ID: \_\_\_\_\_ Class of: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone number: \_\_\_\_\_ E-mail address: \_\_\_\_\_

### Borrower Rights and Responsibilities

By initialing each item below, I indicate that I understand these private educational loans borrower's rights and responsibilities:

\_\_\_ I understand that private educational student loans are money that must be repaid back with interest, just like car loans and home mortgages.

\_\_\_ I understand that I cannot canceled/forgiven my private educational student loans for any of the following reasons: I didn't complete my program, didn't like the education I received, didn't get a job in my field of study or, having financial difficulty.

\_\_\_ I promise to repay back under the terms and conditions of each promissory note I sign. I will repay back the total principal amount, plus interest on such principal amount, NSF fees, late fees, and any other fees charges, and/or costs agreed upon in my promissory note.

\_\_\_ I understand that repayment terms are specific to the terms and conditions identified on my signed promissory note and should consult such note and/or contact my lender for specific repayment amounts and options.

\_\_\_ I reviewed the monthly payment estimates provided by the Student Financial Aid Office, and determined a monthly payment amount that I will be responsible for upon graduation and based on my projected borrowing needs.

\_\_\_ I understand that I must notify my lender within ten (10) business days of any changes to my name, address, or school enrollment status.

\_\_\_ I understand that my lender may report my account information to the credit bureaus, such as late payments, missed payments or defaults on my account.

\_\_\_ I understand that any funds disbursed to me from my private educational student loans must be used toward my education and related expenses only (e.g. tuition, fees, books and supplies, room and board, and transportation).

\_\_\_ I understand that it is my sole responsibility to make all required payments to my loan holder, regardless of receipt, or lack of receipt of a payment notice, coupon booklet, or other notification.

\_\_\_ I understand that if I become delinquent on a payment required by my lender under a current and/or previous promissory note, I am expecting a subsequent disbursement. That such disbursement may be held due to the aforementioned delinquency.

Furthermore, by signing below, I acknowledge that I have a private educational loan(s) that must be repaid back in accordance with the specified terms and conditions outlined in my signed promissory note.

Student Signature \_\_\_\_\_ Date: \_\_\_\_\_

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It is very important that you make your loan payments on time. You should immediately contact your loan holder or loan servicer when you are struggling to keep up with your monthly payment.

**Lender Name:** \_\_\_\_\_

**Lender Phone Number:** \_\_\_\_\_

**Lender web site:** \_\_\_\_\_

You've made a commitment to yourself and your future to pay back all your student loans. Be a responsible borrower -- you don't want to default on your student loan. Default is the failure to repay your loan according to the terms of the promissory note.

**Loan default has serious consequences:**

- Your entire loan balance (principal and interest) may be due in full immediately.
- You may lose eligibility for loan deferment/forbearance.
- Your account may be turned over to a collection agency and you'll have to pay additional charges, late fees and collection costs, all of which become part of your debt.
- Your credit rating will be damaged for several years because defaulted loans are reported to national credit bureaus.
- You'll have difficulty qualifying for credit cards, a car loan, a mortgage, or renting an apartment (credit checks are required to rent an apartment).
- You can be sued for the entire amount of the loan.

**If you find yourself delinquent on your private educational loan(s), contact your loan holder or the school immediately for assistance.**

**California Northstate University – Master of Pharmaceutical Sciences**

**9700 West Taron Drive**

**Elk Grove, CA 95757**

**Phone: (916) 686-7993 Fax: (916) 647-0450**

**[Yia.vang@cnsu.edu](mailto:Yia.vang@cnsu.edu)**

## Helpful Educational Loan Definitions

- **Capitalization** increases your loan principal balance and you will have to pay interest on the increased loan principal amount. If you allow interest to be capitalized, the total amount you repay over the life of your loan will be greater than if you paid the interest as it accrued.
- **Consolidation** is a process which you combine multiple loans into one loan. These loans may reduce your monthly payment, extended your repayment term, and change your interest rate.
- **Deferment** is a cease time period to your repayment obligation with your loan holder.
- **Disbursement** is a process that you loan funds are applied directly to your student account.
- **Forbearance** is a period that your repayment obligation to your loan holder may be reduced.
- **Grace period** is the specified period after you graduated, leave school, or dropped below half-time enrollment but you may not be required to make payments or may only be required to make minimal payments. The repayment period begins at the end of the grace period. PLUS loans do not have a grace period.
- **Interest** is the amount of interest due per period, as a proportion of the amount lent, deposited or borrowed (call the principal sum).
- **Lender** is an organization or a person that lends money. The lender could be a bank, credit union, or other lending institution.
- **Loan** is the money borrowed from an organization or person that must be repaid back.
- **Loan Default** is failure to make loan payments when they are due, or extended delinquency.
- **Loan Holder** is an entity that holds your loan promissory note and has the right to collect payments from you. Many banks sell loans, so the initial lender and the current holder could be different.
- **Loan Servicer** is an organization that handles billing and performs other loan servicing functions on behalf of the lender.
- **NSF Fees** are non-sufficient funds to cover transactions and the bank charge the account holder an NSF Fees.
- **Origination Fee** is a fee charged by a lender on entering into a loan agreement to cover the cost of processing the loan.
- **Promissory Note** is a binding legal document you signed before receiving your educational loans. A written promise to pay a stated sum to a specific to you.  

This also contains a Borrower's Rights and Responsibilities statement that explain the terms and conditions of the loan(s) you received. It is very important to carefully read through and save this document so you can refer back to it when you begin repaying your loan.
- **Repayment incentive** is a subsidy that offered to encourage you to repay your loans on time. Under a repayment incentive program, the interest rate charge on your loans may be reduced. Some repayment incentive programs require that you make a certain number of payments on time to keep the benefits of the repayment incentive.
- **Repayment schedule** is a disclosure provides to you, as the borrower, a monthly payment amount, interest rate, total repayment obligation, due date information, and length of loan repayment.