

## Understanding Your Rights and Responsibilities as a Borrower

While enrolled in school, you can borrow from the Federal Direct Student Loan Program to pay for your educational expenses. These expenses include school charges such as tuition, fees, and room and board, as well as indirect expenses such as books, supplies, equipment, dependent child care expenses, transportation and rental or purchase of a personal computer. Once you borrow a federal student loan, you have certain rights and responsibilities of which you need to be aware.

### What are your rights?

As a federal borrower you have the right to:

- Receive a copy of your signed Master Promissory Note (MPN)
- Receive a disclosure statement
- Receive a six-month grace period for most Direct or FFELP loans, or a nine-month grace period for Perkins Loans
- Prepay all or part of your loan without penalty
- Receive deferments and forbearances, if eligible
- Receive written notice if your loan is transferred
- Receive proof of discharge after repaying your loan in full

### What are your responsibilities?

As a federal borrower you have a responsibility to:

- Repay your loan plus interest
- Make on-time monthly payments
- Read correspondence from your lender or servicer
- Notify your lender or servicer within 10 days if you change your school or enrollment status, name, address or phone number
- Ask your lender or servicer for help



When you graduate, drop below half-time status or withdraw from your academic program, you will be considered in repayment and will receive your grace period for your federal loans. Be aware that each loan has only one grace period. If you have used the full grace period, it will not be granted again should you return to school at a later date.

