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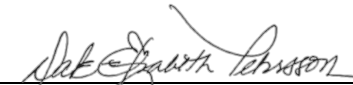
## Policy SE003: Federal Direct Loan Entrance Exit PLUS Credit Counseling

Recommended for Approval by:



Sue Bloom, Executive Director Financial Aid

Approved by:



Dr. Dale-Elizabeth Pehrsson, President

Effective Date: 2/24/2023

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### A. Intent

To establish Pennsylvania Western University's Federal Direct Loan entrance and exit counseling policies and assure it is regulatory compliant with the U.S. Department of Education's Office of Federal Student Aid requirements.

- [34 CFR Part 685](#) – William D. Ford Federal Direct Loan Program Section 685.304 Counseling Borrowers.

### B. Definition(s)

**Entrance Counseling** – Entrance counseling is required if a student has not previously received a Federal Direct Loan. It ensures students understand the terms and conditions of their federal student loan(s) and their rights and responsibilities. Students learn what a loan is, how interest works, options for repayment and how to avoid delinquency and default.

**Exit Counseling** – The purpose of exit counseling is to ensure the student understands their student loan obligations and is prepared for repayment.

**Master Promissory Note** - A promissory note is a legal agreement between a borrower and a lender that specifies the terms and conditions of the loan, including the amount borrowed, the interest rate and repayment terms. The borrower agrees to repay the loan according to these terms and conditions.

### C. Policy

Federal Direct Loan borrowers must complete online counseling for PennWest University. The purpose of the loan counseling is to provide students and parent borrowers with information

regarding their rights and responsibilities as borrowers. Entrance Loan counseling reinforces the commitment that comes with the acceptance of a student loan and to help students understand how to better manage their student loans for educational purposes. Exit counseling is designed to prepare students for the repayment of student loans and help with personal financial management. It is important for all borrowers to realize student loans are not grants or scholarships and must be repaid.

#### **D. Procedure(s)**

**Entrance Counseling** – Each student receiving a Federal Direct Loan for the first time must complete online loan entrance counseling. Counseling may be completed online at [studentaid.gov](http://studentaid.gov). The student or parent borrower will need their FSA ID to complete the online counseling. The process takes approximately 20-30 minutes to complete. Students who have previously borrowed at another institution have the option of completing another entrance counseling for PennWest, or request to have the previously completed entrance counseling sent to PennWest via [studentaid.gov](http://studentaid.gov).

Loan funds will not be released until this requirement has been met. Students are notified via their Financial Aid self-service portal regarding mandatory entrance counseling after their eligibility is determined and Federal Direct subsidized/unsubsidized loans have been accepted. Financial Aid counselors are available Monday through Friday, 8:30 am to 4:00 pm to meet with a student who may have questions about the process. Completion of entrance counseling will also be documented in Banner. Students who previously completed entrance counseling for PennWest are not required to complete entrance counseling each year.

**Exit Counseling** – All student borrowers are required by Federal Law to complete exit counseling upon graduation, officially or unofficially withdrawing for the term or from the University, dropping below half-time enrollment or failing to return for a following semester. Students will receive exit counseling notifications and materials within 30 days of the notification of separation from the university by email or postal mail. Counseling may be completed online at [studentaid.gov](http://studentaid.gov). Exit counseling takes approximately 30 – 40 minutes to complete. Financial Aid counselors are available Monday through Friday, 8:30 am to 4:00 pm to meet with a student who may have questions about the process. Completion of exit counseling will be documented in Banner.

**PLUS Loan Counseling** – PLUS Credit Counseling is required if the U.S. Department of Education (ED) has informed the borrower they have an adverse credit history and an endorser has been obtained or the borrower has documented to the ED's satisfaction that there are extenuating circumstances related to the borrower's adverse credit history. Counseling may be completed online at [studentaid.gov](http://studentaid.gov).

#### **E. Forms**

[Direct Loan Exit Counseling Guide \(studentaid.gov\)](http://studentaid.gov)

#### **F. Related policies**

List any related policies or procedures

**G. Contact Information**

Office/Name	Location	Phone Number
Financial Aid – Sue Bloom	Clarion Campus	814-393-2667
Financial AID – Kelly Vitelli	Edinboro Campus	814-732-1964
Financial Aid – Traci Necciai	California Campus	724- 938-5535

**H. Policy Review Schedule**

All policies will be reviewed every two years or on an as needed basis if a change in Federal or Pennsylvania law, BOG, or PASSHE would create the need for an immediate change.