

Loan Disclosures

Office Responsible:	Financial Aid, Campus President
Area Information is Located:	Website, Student Handbook, Catalog
Date Document was last updated:	July 1, 2018
Date Policy and Procedure was last updated:	July 1, 2018

AMBI is required to provide information published by the U.S. Department of Education to students at any time that information regarding loan availability is provided. If the school enters into an agreement with a potential student, student, or parent of a student regarding a Title IV, HEA Loan, AMBI must inform the student or parent that the loan will be submitted to the National Student Loan Data System (NSLDS), and will be accessible by guaranty agencies, lenders, and schools determined to be authorized users of the data system.

Entrance Counseling for Student Loan Borrowers 685.304(a). Entrance counseling is required for all first-time student Direct Loan borrowers. Before making the first disbursement of a Direct Subsidized or Unsubsidized Loan to a borrower who has not received a prior Direct Subsidized or Unsubsidized Loan or Federal Stafford or SLS Loan, AMBI must ensure that he/she receives entrance counseling. Similarly, AMBI must ensure that a graduate or professional student who is borrowing a Direct PLUS Loan has received entrance counseling, unless he received a prior graduate/professional Direct or Federal PLUS Loan. AMBI may not require that students complete additional counseling (except for exit counseling), but may provide more information, resources, and advisement that students can choose to make use of. This extra content can be provided as part of in-person individual or group training or through our website, other electronic means, written materials, or different methods. The added material must be reasonable as to time, effort, and relevance to students' borrowing decisions and may not be administered in a way that unreasonably impedes their ability to borrow. AMBI can require first-time student borrowers to complete a worksheet, budget, or other exercise designed to improve financial literacy and understanding of the implications of borrowing, but cannot require them to justify the need for a loan.

The information included in Entrance Counseling consists of:

- i. Explanation of the use of the Master Promissory Note (MPN)
- ii. An emphasis to the borrower the seriousness and importance of the repayment obligation the student borrower is assuming
- iii. A description of the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation
- iv. The obligation of the borrower to repay the full amount of the loan regardless of whether the borrower complete program or completes within regular time for completion, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services the borrower purchased from the school
- v. Information about the monthly payment amounts based on

- a. A range of student levels of indebtedness of Direct Subsidized Loan and Direct Unsubsidized Loan borrowers, or student borrowers with Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans depending on the types of loans the borrower has obtained; or
- b. The average indebtedness of other borrowers in the same program at the same school as the borrower
- vi. To the extent practicable, provide an explanation of the effect of accepting the loans to be disbursed on the eligibility of the borrower for other form of student financial assistance
- vii. Information on the accrual and capitalization of interest
- viii. Borrowers of unsubsidized loans have the option of paying interest while in school
- ix. Definition of half-time enrollment and the consequences of not maintaining half-time enrollment
- x. Importance of contacting appropriate offices if student withdraws prior to completion of program of study
- xi. Sample monthly repayment amounts
- xii. Consequences of default
- xiii. Information about the NSLDS and how the borrower can access the borrowers records
- xiv. Name and contact information for individual the borrower may contact with questions about the borrower's rights and responsibilities or the terms and conditions of the loan

Exit Counseling For Student Loan Borrowers [685.304\(b\)](#); [668.42](#); [674.42\(b\)](#). Each school must provide counseling to borrowers of loans under the Federal Direct Loan shortly before the student borrower ceases at least half-time study at the school. The counseling will provide information on:

- i. Average anticipated monthly repayment amount
- ii. Repayment plan options
- iii. Options to prepay or pay on shorter schedule
- iv. Debt Management Strategies
- v. Use of Master Promissory Note
- vi. The seriousness and importance of student's repayment obligation
- vii. Terms and conditions for forgiveness or cancellation
- viii. Copy of information provided by the U.S. Department of Education
- ix. Terms and conditions for deferment or forbearance
- x. Consequences of default
- xi. Options and consequences of loan consolidation
- xii. Tax benefits available to borrowers
- xiii. The obligation of the borrower to repay the full amount of the loan regardless of whether the borrower completes program or completes within regular time for completion, is unable to obtain unemployment upon completion, or is otherwise dissatisfied with or did not receive the educational or other services the borrower purchased from the school

- xiv. Availability of the Student Loan Ombudsman's office
- xv. Information about NSLDS. The U.S. Department of Education is required to provide a disclosure form for students and prospective students about NSLDS

AMBI recommends and utilizes the below link to all student's for completing their entrance and exit counseling:

<https://studentloans.gov>

If the borrower drops out without notifying AMBI, we must confirm that he/she has completed online counseling or mail exit counseling material to the last known address of the student. It is acceptable to email the information to his/her home email address. The print or PDF version of the *Exit Counseling Guide for Federal Student Loan Borrowers* satisfies this requirement. AMBI will mail or email it within 30 days of learning that the borrower has withdrawn or failed to participate in an exit counseling session. The file will then be documented that exit counseling materials were sent. If the withdrawn student fails to provide updated contact information upon withdrawal, AMBI is not required to take further action.

Personal information collected for exit counseling provided by the school must be given to the student's loan servicer within 60 days. The authorization to release this information is included in the loan promissory note they provided. No further permission is needed. Students who complete loan exit counseling (www.studentloans.gov) fulfill this requirement; NSLDS provides the completion information to the loan holders.

Private Education Loan Disclosures (Including Self-Certification Form) 601.2; 601.11; 601.30; 668.14(b)(29). For any private education loan, AMBI is required to provide information to the prospective borrower, including: (1) Information required under Section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)). (2) Notice that the prospective borrower may qualify for loans or other assistance under the Title IV, HEA programs. (3) That the terms and conditions of the Title IV, HEA program loans may be more favorable than the provisions of the private education loans. This information on private loans will be presented in a manner that makes it distinct from information regarding Title IV, HEA program loans.

Code of Conduct for Education Loans 601.2; 601.21; 668.14(b)(27). AMBI has a code of conduct which prohibits AMBI from engaging in any of the following:

- i. Revenue-sharing with any lender
- ii. Receiving gifts from a lender, or guarantor, or a loan service
- iii. Contracting arrangement providing financial benefit from any lender or affiliate of a lender
- iv. Directing borrowers to particular lenders, or refusing or delaying loan certifications
- v. Offers of funds for private loans
- vi. Call center or financial aid staffing assistance
- vii. Advisory board compensation

Preferred Lender Lists 601.2; 601.21; 668.14(b)(27). At this time, AMBI does not have and preferred lender arrangements. In the future, should AMBI engage in any preferred lender arrangements, we will make annually available in print or other medium to students attending the school and their families a list of the specific lenders for private education loans or for Title IV, HEA loans that the school recommends, promotes, or endorses in accordance with a preferred lender arrangement. The list must prominently disclose the method and criteria used by the school in selecting lenders for preferred lender arrangements to ensure that such lenders are selected on the basis of the best interests of the borrower. The list must also clearly and fully disclose:

- i. The minimum information determined by the U.S Department of Education (HEA Section 153(a))
- ii. Why the school participates in a preferred lender arrangement with each lender, particularly with respect to terms and conditions or provisions favorable to the borrower
- iii. That the students or their families do not have to borrow from a vendor on the list
- iv. The list must have at least 3 FFELP lenders that are not affiliates of each other.

Private Education Loans 601.2; 601.10; 601.12; 601.20; 601.21.

- i. Each school must provide on its website, and in publications, mailings, or electronic messages, or materials that are distributed to prospective or current students and their families that describe the financial aid opportunities available to students attending the school and that describe or discuss private education loans, the information required to be disclosed under Section 128(e)(11) of the Truth in Lending Act ([15 U.S.C. 1638\(e\)\(11\)](#)) for each type of private loan offered pursuant to a preferred lender arrangement.
- ii. Each school-affiliated organization must provide on its website, and in publications, mailings, or electronic messages, or materials distributed to students and families that describe private education loans and the information required to be disclosed under Section 128(e)(1) of the Truth in Lending Act ([15 U.S.C. 1638\(e\)\(1\)](#)) for each type of private loan offered pursuant to a preferred lender arrangement.

The name of the lender must be displayed in all information and documentation related to private education loans.

- iii. The information in the model disclosure form and the Truth in Lending Act information must be provided annually in a manner that allows students and families to take the information into account before selecting a lender or applying for an education loan.