



## Exit Counseling – Requirements and Recommendations for FAOs

*Student loan borrowers have made a significant financial investment in their future, and because of this, the U.S. Department of Education requires that, upon separating from your institution, they receive guidance on the repayment of that debt via an “Exit Interview”. In addition to this fact sheet, the AAMC has resources to help you complete this requirement, including:*

- **A complete presentation, with speaker’s notes, available on the Members Only section of the [GSA web site](#) (login required)**
- **AAMC staff available to conduct in-person group entrance and exit sessions on behalf of your institution. Contact Julie Fresne ([jfresne@aamc.org](mailto:jfresne@aamc.org)) for more information.**

### Exit Interview Requirements:

- Explain the purpose of the MPN and review the borrowers rights and responsibilities
- Describe NSLDS ([National Student Loan Data System](#)) and how it can be used to obtain loan status
- Reinforce the importance of repayment and the seriousness of the obligation
- Describe the consequences of default, including adverse credit, garnishment and litigation
- Explain repayment is required regardless of whether or not the:
  - Program is completed
  - Borrower is able to obtain employment
  - Borrower is satisfied with education experience
- Provide examples of monthly repayment amounts based on either:
  - a) a range of student levels of indebtedness or
  - b) the average indebtedness of borrowers at your school or in the same program of study at your school. If you use an average, the payments must reflect the Stafford or Stafford and Grad PLUS indebtedness, as appropriate
- Review the possible repayment options including the Standard, Graduated, Extended and Income-Based repayment plans and the ability to change repayment plans
- Discuss the ability to prepay loans, the result of paying or not paying interest, the effects of capitalization, and the option and impact of loan consolidation
- Offer information on debt management strategies during student loan repayment
- Provide details on the eligibility requirements and the application process for deferment, forbearance, and cancellation
- Explain the purpose and availability of the [Federal Student Aid Ombudsman’s Office](#)
- Collect and update the borrower’s personal information\*
  - Name
  - Social Security #
  - Current address
  - Expected permanent address
  - Drivers License # and state of issuance
  - Name and address of next of kin
  - Name and address of expected employer
  - References
- Include a statement that lender-based benefits vary
- Discuss possible tax benefits for student loan borrowers during repayment

AAMC FIRST recommends the following components for inclusion in the exit session:

- Emphasize communication with lenders. Borrowers should communicate any changes in their name, address or employer to the lenders
- Discuss the effects of loan consolidation including interest rate, benefits, grace, forgiveness and deferment opportunities
- Emphasize the borrower’s ability to prepay each loan, pay each loan on a shorter schedule and change repayment plans

For detailed information on the Exit Loan counseling regulations:

- FFEL: 34 CFR 682.604 (f) and (g);
- DL: 34 CFR 685.304; Perkins: 34 CFR 674.16(a);
- [FSA Handbook](#)

\*School must provide updated borrower information to the guarantor within 60 days.