

Knowledge is power.
Know your student aid
situation and monitor it.



Default Management Prevention

1. What is a loan default?

- a. A loan default occurs when a student fails to make a scheduled payment.

2. Do I have to pay my federal student loan(s) back while attending college?

- a. Students are not required to pay back their student loans while attending school.

3. What is a grace period and when does it start and end?

- a. A grace period is a time where a student is not attending school and does not have to begin paying back their student loan(s).
- b. The grace period is for six months from the time the student graduates or the time the student stops attending classes or falls under six credit hours. Once that grace period is complete the student will be required to pay back the loan in full or develop and implement a payment plan.

4. What are the consequences if I default on my federal student loan(s)?

- a. Credit report damage (7-yr minimum).
- b. Wage garnishments.
- c. Seizure of federal and state tax refunds.
- d. Seizure of portion of any federal payment.
- e. Legal action in federal district court.
- f. Title IV ineligibility.
- g. May lose state occupational license.
- h. No mortgage loans.
- i. May have difficulty obtaining car loans.
- j. May be unable to rent an apartment.
- k. May be turned down for jobs.
- l. Collection costs.
- m. Seizure of disability and social security checks.

Presented by
Martin University's
Default Management
Prevention Task Force

2186 North Sherman Drive
Indianapolis, IN 46218

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5. What is NSLDS (National Student Loan Data System) for students?

- a. NSLDS is a website designed for students to obtain information regarding all federal loans.
- b. NSLDS can be accessed through StudentLoans.gov.
- c. StudentLoans.gov offers many types of assistance including:
 - Obtain information regarding loans available.
 - Develop a budget.
 - Estimate monthly loan payments
 - Understand the ramifications if loan is not repaid.
 - Provide the student access to update their contact information.
 - Sign up for online account access.
 - Sign up for automatic debit and receive a 0.25% interest rate reduction.
 - Contact the servicer to obtain information on repayment options.

6. Where can I obtain more information?

- a. Georgia Dunlap is available in Martin University's financial aid department.
- b. She can be reached by phone at (317) 917-3314.
- c. She can also be reached by email at gdunlap@martin.edu.

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