

HVAC Technical Institute

Standard Operating Procedure – 700C
Administrative Capability – Financial Aid Counseling
Date Implemented: 08-2015
Revised Date: 09-2015
Page 1 of 2

34 CFR 668.16(h), 34 CFR 685.304

PURPOSE:

Students are provided two types of counseling by the Financial Aid Officer: Entrance and Exit Counseling. Both need to be completed before the student completes the program from the school.

ROLES AND RESPONSIBILITY:

Entrance Counseling

One of the most important conversations a financial aid officer needs to have with all student/parent borrowers is that of loan indebtedness. Entrance counseling must be done prior to the first disbursement of the loan on www.studentloans.gov.

In addition, our Career Counselor explains how the master promissory note works, emphasizes the importance of repaying the loan, and describes the consequences of default, and show the student and/or parent sample monthly repayment amounts. Before the first disbursement, the financial aid officer must document proof that the entrance counseling was completed on file.

Borrowers will learn the following by completing entrance counseling:

- General Information about Direct Loans
- Their rights and responsibilities as a borrower
- Managing educational expenses
- Other financial resources to consider that may help pay for the borrower's education

Entrance counseling takes approximately 30 minutes and must be completed on www.studentloans.gov. A financial aid officer will be available during entrance counseling to answer any questions the borrower might

The student must use their FSA username and password in order to complete the entrance counseling online. If they do not have an FSA username or password or have forgotten what it is, the financial aid officer should provide them with the following website: <https://fsaid.ed.gov/npas/index.htm#register>. This will allow them to either create or retrieve their information.

Not only does www.studentloans.gov provide all of the required counseling elements, but it also helps the financial aid officer keep track of all borrowers who completed it. If a borrower does not complete the entrance counseling before the first day of class, the financial aid officer will require that it be completed during the first week of class.

Note: Parents borrowing a Direct PLUS Loan to pay for their child's education are also required to complete entrance counseling.

Exit Counseling

Exit counseling provides important information needed by the student borrower to prepare and repay their federal student loan(s). Exit counseling is to be done by a student borrower when they drop below half time, withdrawing from the program, or have graduated successfully. Exit counseling takes approximately 30 minutes and must be completed on www.studentloans.gov. A financial aid officer will be available during exit counseling to answer any questions the borrower might have. The financial aid officer must document proof that the Exit counseling was completed on file.

Students must use their FSA username and password in order to complete exit counseling online. If they do not have an FSA username or password or have forgot what it is, the financial aid officer should provide them with the following website: <https://fsaid.ed.gov/npas/index.htm#register>. This will allow them to either create or retrieve their information.

HVAC Technical Institute

Standard Operating Procedure – 700C

Administrative Capability – Financial Aid Counseling

Date Implemented: 08-2015

Revised Date: 09-2015

Page 2 of 2

At the end of the exit counseling session, the borrower will be asked for information that will be included as part of their loan records. The borrower must provide names, addresses, e-mail addresses and phone numbers for:

- Next of kin
- Two references who live in the U.S.
- Future employer (if known)

Not only does www.studentloans.gov provide all of the required counseling elements, but it also helps the financial aid officer keep track of all borrowers who completed it. If a borrower does not complete exit counseling, it must mail exit counseling materials to the borrower at his/her last known address. It is also acceptable to email the information to the borrower, if one is on file. The material must be mailed or emailed within 30 days of learning that a borrower has dropped below half time, withdrawing from the program, or has graduated successfully and has failed to participate in an exit counseling session.

When mailing exit counseling material to a borrower who has left, the school is not required to use certified mail with a return receipt request, but must document in the student's file that the material was sent. HVAC Technical Institute will send the Exit Counseling Guide for Federal Student Loan Borrowers booklet along with a written letter explaining that they did not complete exit counseling; informing them that this method is considered a form of exit counseling because of his/her lack of participation.

