

Name:

ENTRANCE COUNSELING STUDENT TEST

Student ID:

Date:

Score:

1. I will be required to sign a new Master Promissory Note (MPN) when:

- a. My school chooses not to use the multi-year feature
- b. I use a different guarantor
- c. I decide to use a different lender
- d. A and C only

2. I will most likely receive my loan funds:

- a. All at once, on the first day of class
- b. In multiple disbursements throughout the loan period
- c. As soon as the loan period or term is complete
- d. Whenever I tell my lender to send the funds

3. Which of the following is true:

- a. The subsidized loan is need-based
- b. The government pays the interest on subsidized loans while I am in school
- c. The government pays the interest on unsubsidized loans while I am in school
- d. All of the above
- e. A and B

4. I am entitled to reduce or cancel my loan at any time before I receive the loan funds.

- a. True
- b. False

5. I am under no obligation to repay my loan if:

- a. I do not complete my education
- b. I am not employed upon completion of my studies
- c. The education I received did not meet my expectations
- d. I did not receive a billing statement
- e. None of the above

6. If I withdraw from school:

- a. Funds are repaid to the Federal Pell Grant program first
- b. The amount of assistance I have earned is determined by my professor
- c. If I received more assistance than I earned, the excess funds must be returned
- d. All of the financial assistance I have received is sent to my parents

7. If I use my six-month grace period on my loan and enter repayment, then return to school the next year:

- a. I receive a new nine-month grace period on my loan
- b. My loan will immediately enter repayment upon dropping below half-time status because I have already used my grace period
- c. I will receive a new six-month grace period on my loan if I borrow a new loan
- d. None of the above

8. When experiencing trouble making payments I should:

- a. Contact my lender immediately to check on an alternative payment plan, possible deferment eligibility, or a forbearance option
- b. Continue to make payments until I receive written notice that an alternative payment plan, a deferment, or a forbearance have been granted
- c. Cease making payments until I am able to obtain a deferment or forbearance
- d. Write a letter to the school I was attending when I borrowed the loan
- e. Both A and B

9. I should notify my lender when:

- a. I am having trouble making payments
- b. My address changes
- c. Both A and B
- d. I complete a course in personal finance

10. If I default on my loan:

- a. My credit rating will be damaged
- b. I will still be able to apply for more financial aid
- c. I should then consider deferment options
- d. The law prohibits collection agencies from contacting me

