

# Creating Consistency in Educational Finance: A Training Curriculum

## Introduction

Entrance and exit counseling serve as two of the most important tools in default aversion. Some financial aid offices choose to provide the counseling in person versus online.

While providing counseling in-person may be more effective, it may not always be possible for schools with large student populations to meet with students face-to-face.

The purpose of this training module is to establish a curriculum to assist financial aid officers with a knowledge base for conducting in-person entrance and exit counseling sessions at their school. Also, this module may serve as a training tool for new financial aid officers.

Since schools bear the responsibility to ensure that every borrower completes the required entrance and exit counseling sessions, it is of utmost importance that financial aid administrators be properly trained in meeting all statutory and regulatory requirements. Additionally, it is important to remember that the Higher Education Opportunity Act does permit lenders and guarantors to perform in-person, school-required entrance and exit loan counseling sessions, but only under certain conditions—school must be in control of the session and the lenders are prohibited from promoting their products and/or services.

The module builds on the premise that the primary purpose of entrance and exit counseling sessions is to inform students about their rights and responsibilities as borrowers. Since students may ultimately borrow from different lending institutions, it is imperative that all persons conducting the session have a common knowledge base of borrower rights and responsibilities. Also, it is imperative that the session be conducted in a positive, ethical atmosphere. The last section of this module presents a set of principles of ethics.



# Entrance Counseling

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## Learning objectives

At the end of this module, you will:

- Be able to provide consistent information to borrowers
- Know the statutory and regulatory requirements for conducting an entrance counseling session
- Recognize the importance of understanding your institution's student demographics
- Understand how to integrate institutional policies and procedures into the session

## Statutory and regulatory requirements for entrance counseling sessions

All first time federal Stafford loan borrowers are required to complete an entrance counseling session before receiving their first disbursement, unless a student previously borrowed a federal Stafford or SLS loan from either the Federal Family Education Loan Program (FFELP) or Federal Direct Loan Program at another institution. However, some schools require all first time borrowers at their school to complete an entrance counseling session.

All first time federal Grad PLUS loan borrowers are also required to complete an entrance counseling session before receiving their first disbursement, unless a student previously borrowed a Federal PLUS loan or Direct PLUS loan.

Schools may conduct entrance counseling sessions either through:

- in-person sessions, or
- interactive electronic, or written means, with the borrower's acknowledgement of receipt.

For all forms of counseling, the school has the responsibility to make sure that an individual with expertise in Title IV programs is available to answer students' questions shortly after the counseling.

Also, it's important to remember that the school must maintain documentation substantiating its compliance with entrance and exit counseling requirements for each borrower.

If the session is conducted in person, then the individual conducting the session has the responsibility for becoming thoroughly knowledgeable about the requirements listed below.

The following information must be provided to the Stafford Loan borrower:

- Use of the Federal Stafford Loan Master Promissory Note
- Seriousness of, and importance of, the student's repayment obligation
- Consequences of defaulting on a student loan (e.g., adverse credit history, litigation, federal offsets, delinquent debt collection procedures)

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- Student's obligation to pay back the student loan even if the student is not satisfied with the quality of education received or its services, does not find employment after graduation, does not graduate, or does not complete the program of study within the regular time for program completion
  - Sample monthly repayment amounts (based on several levels of indebtedness for borrowers with subsidized and unsubsidized Stafford (and Grad PLUS, as appropriate), or on the average cumulative indebtedness of student borrowers at that school or in the same program of study at that school)
  - The effect of accepting the loan on eligibility for other forms of student financial assistance
  - How interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the Secretary
  - Option to repay the interest on unsubsidized Stafford and Grad PLUS loans while in school
  - Definition of half-time enrollment during regular terms and summer school, if applicable
  - Consequences of dropping below half-time
  - Importance of contacting the appropriate offices if the borrower withdraws, for purposes of providing exit counseling
  - Information on the National Student Loan Data System (NSLDS) and how the borrower can access his/her records
  - Name and contact information for questions regarding borrower's rights and responsibilities, or the terms and conditions of the loan

## **Graduate/Professional Student PLUS borrowers**

The information that must be provided to a Graduate/Professional Student PLUS (Grad PLUS) borrower depends on whether or not the borrower has previously received a Stafford loan.

A borrower with no prior Stafford loan must be provided with the same information as provided in Stafford loan entrance counseling.

For a borrower with a prior Stafford loan, the school must notify the borrower of the maximum Stafford loan amount for which he or she is eligible, and provide a comparison of terms between Stafford and Grad PLUS loans regarding:

- Interest rates
- When interest accrues
- When the loans enter repayment

This information may be provided through the financial aid award letter process, if done before certification.

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Additionally, all Grad PLUS borrowers must be provided sample repayment amounts based on:

- several levels of indebtedness of:
  - Borrowers with subsidized and unsubsidized Stafford loans; and,
  - As appropriate, graduate borrowers with subsidized or unsubsidized Stafford or Grad PLUS loans at the school or in a specific program of study; or
- Average cumulative indebtedness of other borrowers in the same program at the same school

If a school prefers to require all Grad PLUS borrowers to complete comprehensive counseling, it may do so. Comprehensive counseling would entail a counseling session which covers all information regardless of whether the Grad PLUS borrower has received a prior Stafford loan or not.

## Additional information

In addition to the requirements stated above, it is recommended that the following information be provided to students so that they have a complete understanding of the obligation to pay back the student loan:

- An explanation about the various sources of financial aid available to the student and to the parent
- A description of the terms and conditions of each source of aid, including loan limits, loan fees, and interest rates
- A discussion of the school's policy on the frequency of annual loan limits
- A strong recommendation to the student to keep all documentation related to their student loans and other financial aid received
- A reminder to keep the lender informed of any changes in their contact information, enrollment status, or Social Security number
- A summary of the borrower's rights and responsibilities
- An overview of repayment, deferment, forbearance, consolidation and loan cancellation options
- An explanation of loan sales and servicing of loans
- The institution's satisfactory academic progress policy
- The institution's refund policy
- General information on budgeting living expenses and other aspects of personal financial management

Moreover, in delivering entrance counseling to students, it is important to explain the different types of loans available to help pay for educational expenses. Outlined below is a description of each of the student loan types:

## Types of loans

### Federal Stafford Loans (Subsidized)

- A loan for students demonstrating financial need
- Student must be enrolled at least half time
- Interest is paid by the Department of Education while the borrower is in school, during grace period, and during authorized periods of deferment
- Student is not responsible for paying the interest on the loan while he/she is enrolled in a postsecondary institution at least half time

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- Six months after the student graduates, drops below half time, or withdraws, the student becomes responsible for paying both principal and interest on the loan
  - Origination fee and federal default fee, if charged to the borrower, will be withheld proportionately from each disbursement
  - Repayment generally is scheduled over a maximum 10-year period, not including authorized periods of deferment or forbearance
  - Deferments are available for specific situations
  - Standard, Graduated, income-sensitive, income-based and extended repayment terms are available
  - 6.8 percent fixed interest rate for graduate students
  - Stafford interest rates for undergraduate subsidized Stafford loans (FFELP and Direct) are as follows:
    - 5.6% on or after July 1, 2009, and before July 1, 2010
    - 4.5% on or after July 1, 2010, and before July 1, 2011
    - 3.4% on or after July 1, 2011, and before July 1, 2012
    - 6.8% on or after July 1, 2012

### **Federal Stafford Loans (Unsubsidized)**

- A non-need-based loan available to independent students, to dependent students who do not qualify for a subsidized Stafford loan, and to dependent students whose parents are unable to obtain a PLUS loan
- Unsubsidized Stafford loans are the same as subsidized Stafford Loans, except that the Department of Education does not pay interest on the loan at any time, and the student is responsible for paying all interest that accrues during the life of the loan
- Fixed interest rate of 6.8 percent for loans disbursed on or after July 1, 2006
- Interest payments can be deferred, along with payments on the principal, until six months after the student graduates, drops below half time, or withdraws
- Making interest payments on the loan while the borrower is in school will help reduce the overall cost of borrowing and may reduce his or her monthly payment once he or she enters repayment

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**Federal Stafford loan maximums<sup>1</sup>**  
**Annual limits per year of study**

**Dependent Undergraduates<sup>2</sup>**

<b>Year</b>	<b>Max. (subsidized and unsubsidized)<sup>3</sup></b>
1st year	\$5,500 – no more than \$3,500 of this amount may be subsidized
2nd year	\$6,500 – no more than \$4,500 of this amount may be subsidized
3rd year and beyond	\$7,500 – no more than \$5,500 of this amount may be subsidized

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**Independent Undergraduates<sup>2</sup>**  
**(and dependent undergraduates whose parents are unable to borrow under the PLUS Loan Program)**

<b>Year</b>	<b>Max. (subsidized and unsubsidized)<sup>3</sup></b>
1st year	\$9,500 – no more than \$3,500 of this amount may be subsidized
2nd year	\$10,500 – no more than \$4,500 of this amount may be subsidized
3rd year and beyond	\$12,500 – no more than \$5,500 of this amount may be subsidized

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**Graduate and Professional Students**

<b>Year</b>	<b>Max. (subsidized and unsubsidized)<sup>3</sup></b>
For any year of study	\$20,500 – no more than \$8,500 of this amount may be subsidized

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**Aggregate Limits<sup>3</sup>**  
**Maximum amounts over academic career**

<b>Type of Student</b>	<b>Maximum aggregate loan amounts over academic career – subsidized and unsubsidized</b>
Dependent Undergraduates	\$31,000 – no more than \$23,000 of this amount may be subsidized
Independent Undergraduates (and dependent undergraduates whose parents are unable to borrow under the PLUS Loan Program)	\$57,500 – no more than \$23,000 of this amount may be subsidized
Graduate and Professional Students	\$138,500 – no more than \$65,500 of this amount may be subsidized

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<sup>1</sup> Certain health profession students may qualify for higher limits.

<sup>2</sup> Undergraduate Stafford annual loan limits are subject to proration.

<sup>3</sup> The borrower may receive less than the maximum if he or she receives other financial aid that is used to cover the cost of attendance. Keep in mind that the federal government will pay interest only on subsidized Stafford loans while the student is in school.

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## **Federal Perkins Loans**

- Available to undergraduate and graduate students who demonstrate financial need
- The school is the lender and therefore the loan must be paid back to the school
- Interest does not begin accruing on the loan until nine (9) months after the student graduates, drops below half time, or withdraws
- Repayment generally is scheduled over a maximum 10-year period, not including periods of authorized deferment or forbearance
- Annual limit is \$5,500 for undergraduates, \$8,000 for graduates
- Aggregate limit is \$27,500 for undergraduates, \$60,000 for graduates
- Fixed interest rate of 5 percent
- No origination or default fee
- May qualify for loan cancellation (e.g., teachers serving a low-income school, special education school, or those teaching in a designated subject shortage area - students can contact the school from where they received the Perkins loan to find out more details about loan cancellation)

*Student's eligibility for the loans mentioned above is determined by information provided on the Free Application for Federal Student Aid (FAFSA).*

## **Federal PLUS Loans**

- For parents of dependent students who need additional funds to help cover educational expenses
- Loans disbursed on or after July 1, 2006, have a fixed interest rate of 8.5 percent
- Borrower must be creditworthy or obtain a creditworthy endorser
- Interest and principal payments on the loan begin within 60 days of when the loan is fully disbursed
- Borrower may defer payment while the student or borrower is enrolled at least half-time, and during the six months following the student's drop to less than half-time enrollment
- Deferments for specific situations and forbearance may be available

## **Graduate/Professional Student PLUS Loans**

- For graduate/professional students who need additional funds to help cover educational expenses
- Fixed interest rate of 8.5 percent
- Borrower must be creditworthy or obtain a creditworthy endorser
- Interest and principal payments on the loan begin within 60 days of when the loan is fully disbursed
- Deferments are available while the student is attending school at least half time and during the six months following the student's drop to less than half-time enrollment; other deferments for specific situations and forbearance may be available

## **Emergency Tuition/Short-Term Loans**

- Schools may make small loans available to those students who may otherwise not be eligible for federal student loans, or who are waiting on their federal student loans to be processed
- The repayment period on these types of loans typically begins once the funds are disbursed to the student

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## Private Loans

- Private, non-federal loans may be available to students to help cover their educational expenses
- Student is encouraged to first determine if he/she is eligible for federal student loans before applying for a private loan; private loans should be considered as a last resort
- Private loans usually have a higher interest rate, require the borrower to be creditworthy, and may not include the same benefits as federal student loans
- The terms and conditions of private loans vary from provider to provider and should be thoroughly researched

## Becoming familiar with student demographics

Student populations differ from one college to another. Therefore, it is important that financial aid officers study the demographics of the student populations on their campuses. For instance, new financial aid officers should learn about the median debt amount for students graduating from their institution, and how it compares to the median debt amount for students in the state and at other similar institutions.

*Detailed information regarding indebtedness levels at most schools can be found online in TG's School Fact Sheets at [www.tgslc.org/schools/](http://www.tgslc.org/schools/)*

Additionally, in instances where a school enrolls a large percentage of first-generation college students, it is especially important for financial aid officers to provide in-depth credit and debt management information, budget planning tools, and collateral demonstrating standard debt-to-income ratios. These resources will help the students — many of whom may come from families who are not savvy about borrowing — prepare for successful repayment of student loans.

*Some useful financial literacy resources can be found online at [www.aie.org](http://www.aie.org).*

## Integrating the institution's policies and procedures

In preparation for conducting an entrance counseling session, financial aid officers should also be prepared to provide students with information about the institution's policies and procedures. Key institutional policies and procedures include:

- Satisfactory academic progress (SAP) for financial aid eligibility (including the appeals process)
- Academic requirements for continuing enrollment, if different from SAP
- Withdrawal procedures
- Refund policy
- Other policies and procedures important to the institution

# Exit Counseling

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## Learning objectives

At the end of this module, you will be able to:

- Provide consistent information to borrowers
- Understand the statutory and regulatory requirements for conducting an exit counseling session
- Inform students about when repayment begins for different loan types
- Recognize the importance of understanding your institution's student demographics
- Explain the role that each participant (school, lender, guarantor, etc.) plays in the life of the loan
- Help students make informed decisions about Consolidation loans

## Regulatory requirements for exit counseling sessions

Schools must make sure that all students who have borrowed a Stafford or Grad PLUS loan and have graduated, withdrawn, or dropped below half-time status complete an exit counseling session.

Like the entrance counseling session, this session may be conducted in person, or by electronic means. For all forms of counseling, the school has the responsibility to make sure that an individual with expertise in Title IV programs is available to answer students' questions shortly after the counseling.

Although exit counseling must be provided before the student completes his or her course of study or otherwise leaves the school, occasionally students drop out without notifying the school. In this case, the school must confirm that the student has completed online counseling, or mail exit counseling material to the student's last known address within 30 days of learning that the student has withdrawn or failed to participate in an exit counseling session.

When mailing exit materials, the school is not required to use certified mail with a return receipt requested, but must document in the student's file that the materials were sent. If the student fails to provide the updated contact information, the school is not required to take any further action.

## Requirements

There are some basic regulatory requirements (listed below) that must be covered in the presentation:

- Review information covered in entrance counseling, including:
  - The seriousness and importance of the repayment obligation that the student has assumed,
  - The likely consequences of default, including offset, litigation, adverse credit reports, and delinquent debt collection procedures under federal law, and
  - The student's obligation to pay back the student loan even if the student is not satisfied with the quality of the education received or its services, does not find employment after graduation, does not graduate, or does not complete the program of study within the regular time for program completion.
- Sample monthly repayment amounts (based on several levels of indebtedness for borrowers with subsidized and unsubsidized Stafford, or on the average cumulative indebtedness of student borrowers at that school or in a particular program of study at that school. If the monthly repayment amount is based on average indebtedness, then the school must provide both Stafford and Grad PLUS indebtedness.)

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- Information on available repayment plans, including a description of the different features of each plan.
  - Sample information showing the average anticipated monthly payments under each repayment plan.
  - The difference in interest paid and total payments under each repayment plan.
  - Debt management strategies to facilitate loan repayment.
  - Terms and conditions under which a student may qualify for forbearance, deferment, or full or partial discharge of the loan.
  - The borrower's options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans.
  - A general description of the types of tax benefits that may be available to students (e.g. Student Loan Interest Deduction, Tuition and Fees Deduction, and Hope and Lifetime Learning Credit)
  - The effects of consolidating Title IV loans to include: the effects on total interest, fees to be paid, and length of repayment; the effects on underlying loan benefits, including grace periods, loan forgiveness, cancellation, and deferment opportunities; the borrower's option to prepay the loan or to change repayment plans; variation in borrower benefit programs among different lenders.
  - Availability of the Student Loan Ombudsman's Office.
  - The availability of Title IV loan information in the National Student Loan Data System, and how the system can be used by the borrower to obtain information on the status of his or her loans.

Once the student completes the exit counseling session, schools must ensure that they collect the student's most updated personal information. This information must then be sent to the guarantor within 60 days after the exit interview. The student authorizes this transfer of information as part of the loan application process.

Although not required, financial aid officers may want to verify contact information provided by the student (e.g. verify the references provided by student on the exit survey by calling the telephone number).

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## When repayment begins

In addition to the above requirements, it is imperative that the financial aid officer reiterate the repayment terms and options for each of the different types of loans. Many students borrow from various loan sources, and it may be helpful to remind them that not all loans have the same repayment start dates.

### Repayment begins

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Stafford (Subsidized)	six (6) months after a student graduates, withdraws, or drops below half time
Stafford (Unsubsidized)	six (6) months after a student graduates, withdraws, or drops below half time
PLUS	sixty (60) days after the loan is fully disbursed (first payment may be delayed until six months after a student/borrower graduates, withdraws, or drops below half-time)
Perkins	nine (9) months after a student graduates, withdraws, or drops below half time
Emergency Tuition Loans	follow-up with the financial aid office/business office to determine the first due date
Private Loans	check with the specific lender to determine first due date

### If student cannot pay

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Change repayment plan	<p>The borrower has the right to choose the repayment plan that best fits his or her circumstances.</p> <p>A lender must comply with an eligible borrower's request to revise his/her choice of repayment plan at least once annually. However, borrowers may request the Income-based repayment plan at any time.</p>
Apply for deferment	Students may qualify for a deferment if they are unemployed, experiencing economic hardship, or will continue their education. Interest during the deferment may be paid by the Department of Education on subsidized Stafford and Perkins loans.
Request forbearance	A lender may be able to reduce or postpone student loan payments. However, interest on all types of federal loans accrues during a forbearance period, and if not paid, it will increase the amount owed.

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## Consolidation loans

Students may decide that they want to consolidate their loans upon graduation. Therefore, it is important to educate students about the benefits and drawbacks of consolidation loans.

A basic description of consolidation loans and their terms follows:

The Federal Consolidation Loan Program allows a student or parent borrower to lock in a fixed interest rate for the entire repayment period, and combine multiple loan balances under a single lender, so that the borrower is required to make only one payment. The following list includes additional information about consolidation loans:

- Loans that may be consolidated include:
  - FFELP loans (Stafford, PLUS, SLS, and prior Consolidation loans)
  - FDLP loans (Stafford, PLUS, and prior Consolidation loans)
  - FISL loans
  - Perkins loans (formerly National Student Defense Loans)
  - Health Professions Student Loans (HPSL), including Loans for Disadvantaged Students (LDS)
  - Nursing Student Loans (NSL)
  - Health Education Assistance Loans (HEAL)
- Students can consolidate with any lender that participates in the Federal Consolidation Loan Program. Students can start by contacting the lender(s) or servicer(s) that holds their loans to discuss consolidation. Students can also choose a lender other than the lender that currently holds their loans. Another option that students have for consolidation of their loans is through the Federal Direct Loan Program.
- Loans must be in their grace or repayment period to be consolidated. Note that the grace period terminates at the time of consolidation.
- The interest rate for the consolidation loan is calculated as the weighted average for the loans being consolidated, rounded up to the nearest one-eighth of one percent, not to exceed 8.25%.
- Extended repayment periods, up to 30 years, are available, depending on the total amount of the borrower's debt. By extending the timeframe, the monthly payment may be reduced, but this reduction may be outweighed by the amount of interest added to the loan over the additional years.
- Standard, graduated, income-sensitive or income-based repayment plans are available.
- Delinquent or defaulted borrowers may qualify for consolidation loans.
- Deferments for specific situations and forbearance may be available.

Recent changes in regulations have affected the availability of lenders participating in federal consolidation under the Federal Family Education Loan Program. However, students can still take advantage of loan consolidation through the Federal Direct Loan Program by contacting the Department of Education. Also, the financial aid office can serve as a starting point for more information about loan consolidation.

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## Understanding the roles of those involved in the life of the loan

There are many service providers in the student loan programs. An explanation of each of the roles and duties that participants play should be provided to the borrower. Having an understanding of what each participant contributes to the process over the life of the loan will better prepare students to manage their student loan debt when they enter repayment.

Below is summary of each of the participant's roles in the student loan process:

### Students and Parents

- Select a school and lender
- Complete the Free Application for Federal Student Aid (FAFSA) and other school forms.
- Complete a Stafford Loan Master Promissory Note or PLUS Master Promissory Note
- Repay the loan

### Schools

- Provide the education
- Provide financial aid and college awareness
- Agree to follow policy and procedures set forth in federal regulations and by the guarantor
- Provide entrance and exit counseling
- Release funds
- Monitor and report student enrollment

### Lenders

- Provide capital for the loan
- Request a guarantee of a borrower's loan from the guarantor
- Agree to follow policy and procedures set forth in federal regulations and by the guarantor
- Conduct credit checks for parent loan borrowers and for Grad PLUS student borrowers
- Disburse funds
- Service the loan and/or perform collection efforts (these functions are sometimes delegated to the servicer)
- Receive interest benefits and special allowance payments for loans that are originated and serviced properly
- Refinance eligible loans or make Consolidation loans
- Submit default aversion assistance requests on delinquent loans to a guarantor
- Receive claim payments from the guarantor on defaulted loans or on loans for other special circumstances (e.g. death of borrower)

### Secondary Markets

- Purchase FFELP loans from participating lenders to replenish the lenders' capital
- Agree to follow policies and procedures set forth in federal regulations and by the guarantor
- Service the loan and/or perform collection efforts (these functions are sometimes delegated to a servicer)
- Receive interest benefits, special allowance payments, and guarantee for loans that are originated and serviced properly

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- Refinance eligible loans or make Consolidation loans
  - Submit default aversion assistance requests on delinquent loans to the guarantor
  - Receive claim payments on defaulted loans or on loans for other special circumstances (e.g., death of a borrower) from the guarantor
  - Issue tax-exempt or taxable bonds to secure new capital

### **Servicers**

- Bill for and post payments to borrower accounts on behalf of the lender or loan holder
- Perform collection due diligence on delinquent accounts on behalf of the lender or loan holder
- Perform other activities to properly service FFELP loans on behalf of the lender or loan holder

### **Guaranty Agencies**

- Administer the Federal Family Education Loan Program
- Guarantee loans, enabling students to receive a loan without having established credit
- Provide financial aid and college awareness
- Provide products, services, and training to assist customers and program participants
- Provide interpretations of and guidance on regulatory and policy matters
- Engage in gate keeping activities such as conducting compliance reviews and fraud investigations, and determining eligibility processes
- Prevent defaults by providing default aversion assistance to schools, lenders, servicers, and student loan borrowers
- Pay claims to lenders in case of borrower death, disability, bankruptcy, unpaid refund, or default
- Collect on defaulted loans
- Receive reinsurance and other administrative payments from the federal government
- Administer discharge and forgiveness programs for borrowers

### **U.S. Department of Education**

- Oversees all Title IV Student Aid programs, including the Federal Family Education Loan Program (FFELP)
- Provides loans directly to students at schools participating in the Federal Direct Loan Program
- Develops regulations and enforces program compliance
- Provides interpretations of and guidance on regulatory and policy matters
- Provides training and information to program participants
- Pays interest benefits to lenders on behalf of eligible Federal Stafford and Consolidation loans
- Pays special allowance benefits to lenders on eligible Federal Stafford, SLS, PLUS, and Consolidation loans
- Reinsures loans for the guarantor
- Pays the guarantor administrative fees for certain activities

### **U.S. Congress**

- Writes laws concerning federal student loan programs

In providing the above information to the borrower, students have the opportunity to learn more and ask questions about who is involved in the loan process. Making students aware about the roles and responsibilities of each participant will help the student gain a better understanding of what to expect when contacting each of them.

# Principles of Ethics

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Students rely on the financial aid office as their guide in making important decisions about their student loans. Whether the financial aid officer or an authorized representative participates in loan counseling sessions, financial aid officers are responsible for ensuring that students receive the most accurate, current, unbiased and comprehensive information available, and most importantly that all presenters conduct themselves with a high standard of ethics. Below are some principles of ethics that all loan counseling providers should strive to adhere to during loan counseling presentations:

- Recognize that the role of the loan counseling provider is one of counseling.
- Always keep the student's best interests in mind
- Maintain the highest level of professionalism
- Fairly represent all options to facilitate an informed borrowing decision
- Stay current on policies and regulations pertaining to student loans
- Review all publications provided to students for accuracy.
- Deliver an unbiased presentation