



UNIVERSITY
of Prince Edward
ISLAND

US Student Financial Aid Advisor

(902) 628-4382

Registrar's Office: Scholarships, Awards and Financial Aid

550 University Avenue Charlottetown, PE C1A 4P3 Canada

Student Loan Default Prevention and Management Plan

The University of Prince Edward Island is committed to supporting our students in achieving their academic and personal goals. Through the Registrar's Office, we have a dedicated Financial Aid Advisor who assists US students attending UPEI for undergraduate, graduate and/or professional programs in the application and administration process of student loan funding from the United States government.

The Student Loan Default Prevention and Management Plan outlines the information process and support provided by the university for our students, parents, and other interested parties.

1. Pre-enrollment Activities

The UPEI Financial Aid website provides helpful information and links for undergraduate and graduate/professional students who are inquiring about the loan program opportunities through the Department of Education, including Direct Loan Program, Stafford Loans and Plus Loan Program. There are also a number of links for the university's policies and procedures when it comes to the application process and also distribution of the loans. This includes important details pertaining to course and program eligibility for loans; admission, mature student, and study abroad/exchange policies; as well, there is a document for USDL Consumer Information Disclosure to assist in preparing students for enrollment at the university.

Our Financial Aid Advisor is available at any time via telephone, email or in person to converse with prospective students about the borrowing process as well as general repayment details. We also have additional faculty and staff on campus that can answer questions or address concerns that may deal with a student's admissions and eligibility, enrollment, or financial matters; the Registrar's Office, Accounting Office, Student Affairs, and Atlantic Veterinary College departments routinely interact and support students in pre-enrollment.

2. Initial Enrollment/Application for Financial Aid

Students are supported through the application process for financial aid through our Financial Aid Office, with our FA Advisor available to answer any questions about the student's eligibility, application process, and requirements as part of the submission process: students are required to complete Master Promissory Notes as part of their loan application, which provides helpful information on the contractual obligations of the loan borrowing process as well as repayment. This section on loan Acceleration and Default is also included below in this document for all interested parties continued review. Enrollment support is available through Student Affairs, Atlantic Veterinary College, or individual program departments.

Entrance Counseling is also a requirement before students can receive Direct Subsidized Loans or Direct Unsubsidized Loans as an undergraduate, or Direct PLUS Loans as a graduate/professional student.

University of Prince Edward Island USDL Information updated Summer 2015; adapted from sources including: Federal Student Aid – Default Prevention and Management: A Plan for Student and School Success

<http://ifap.ed.gov/dpccletters/attachments/GEN0514Attach.pdf>

Hawaii Community College Default Prevention Plan: <http://hawaii.hawaii.edu/financialaid/defaultprevention.php>

Information and links for the online portal where Entrance and Exit Counseling is available for students to complete are provided on the UPEI Financial Aid Website. Students are reminded of the importance of completing this entry step to aid in the acquisition of loans for use during study, and to build their knowledge of the financial implications of borrowing through the government loan program.

3. Re-borrowing during Degree Program

Students are required to complete a yearly application for their loans, including reviewing and agreeing to the Master Promissory Notes which remind students of their borrowing obligations and their increasing debt with each study year. The status of student's applications during the submission process is monitored by the Financial Aid Advisor, who can access each individual student account to provide information to students or answer questions regarding processing, financial calculations, and loan distribution dates.

Helpful links on the UPEI Financial Aid web site provided to students as they continue their studies at the university include the Satisfactory Academic Progress Policy, so students can confirm they are maintaining their eligibility for loans based on the financial calculation, qualitative, quantitative, and timeframe components. Students can also access the Return of Title IV Policy, which outlines the potential situation if a student were to withdraw from the university during their studies and the impact on their loan repayment schedule.

Students are also recommended to access the additional helpful resources available to build their financial knowledge to prepare themselves for the future reality of repaying their loans in accordance with their MPN. These links available to students on the UPEI FA website include online financial and loan counseling sessions; repayment guides and estimator tools; and informative videos prepared by Federal Student Aid.

4. Upon Withdrawal or Graduation

All students who withdraw from the university or who are preparing to graduate must complete Exit Counseling as part of their loan obligation. Exit counseling provides students with important information about repayment plans. It is **mandatory** for all graduating students with subsidized and unsubsidized loans, and must be completed during the final semester of studies and prior to graduation. An acknowledgement will be sent to the university upon completion. If you withdraw from your UPEI studies or drop below half-time enrollment, you are still obligated to fulfill this requirement. Students are directed to complete this through the online portal.

Our Financial Aid Advisor and Accounting Office staff members support students and answer any questions or concerns they have about the financial implications of withdrawal or graduation on their loan status.

5. Continued Support during Repayment and Debt Management

The university continues to support students following their graduation or withdrawal by being accessible to assist them with any questions or concerns that may arise, via telephone, email or in person. Our Financial Aid Office and Accounting Offices are happy to provide advice at any stage of the loan process, and work with external agencies or organizations that also assist students through repayment and debt management process.

The following is further information on loan acceleration and default as defined by Federal Student Aid, which students have to review and sign in agreement within their Master Promissory Note on an annual basis:

ACCELERATION AND DEFAULT

At ED's option, the entire unpaid balance of a loan made under this MPN will become immediately due and payable (this is called "acceleration") if any one of the following events occurs:

- (1) You do not enroll as at least a half-time student at the school that certified your loan eligibility;
- (2) You do not use the proceeds of the loan solely for your educational expenses;
- (3) You make a false representation that results in your receiving a loan for which you are not eligible; or
- (4) You default on the loan.

The following events will constitute a default on your loan:

- (1) You do not pay the entire unpaid balance of the loan after ED has exercised its option under items (1), (2), and (3) above;
- (2) You do not make installment payments when due and your failure to make payments has continued for at least 270 days; or
- (3) You do not comply with other terms of the loan, and ED reasonably concludes that you no longer intend to honor your repayment obligation.

If you default, ED may capitalize all outstanding interest. This will increase the principal balance of your loan, and the full amount of the loan, including the new principal balance and collection costs, will become immediately due and payable. If you default, the default will be reported to nationwide consumer reporting agencies (credit bureaus) and will significantly and adversely affect your credit history.

A default will have additional adverse consequences as explained in the Borrower's Rights and Responsibilities Statement. Following default, you may be required to repay the loan (potentially including amounts in excess of the principal and interest) under the Income-Based Repayment Plan or the Income-Contingent Repayment Plan in accordance with the Act.

[Master Promissory Note \(MPN\)](#)

The Master Promissory Note (MPN) is a legal document in which you promise to repay your loan(S) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(S). Unless your school does not allow more than one loan to be made under the same MPN, you can borrow additional Direct Loans on a single MPN for up to 10 years. Your school will tell you what loans, if any, you are eligible to receive.