

MEDICAL CAREER COLLEGE OF NORTHERN CALIFORNIA LOAN DISCLOSURES

State Grant Assistance 668.14(b)(11)

MCCNC does not participate in the Federal Family Education Loan (FFEL) program.

According to 668.14(b)(11) If a school participates in the FFEL Program, the school informs all eligible borrowers, as defined in 34 CFR part 682, about the availability and eligibility of those borrowers for State grant assistance from the State in which the school is located, and informs borrowers from another State of the source of further information concerning State grant assistance from that State.

Student Loan Information Published by the U.S. Department of Education

MCCNC is required to provide information published by the U.S. Department of Education to students at any time that information regarding loan availability is provided. The publication includes information about rights and responsibilities of students and schools under the Title IV, HEA loan programs.

National Student Loan Data System (NSLDS)

If MCCNC enters into an agreement with a potential student, student, or parent of a student regarding a Title IV, HEA Loan MCCNC must inform the student or parent that the loan will be submitted to the National Student Loan Data System (NSLDS), and will be accessible by guaranty agencies, lenders, and schools determined to be authorized users of the data system. Entrance Counseling For Student Loan Borrowers 685.304(a)

Note: The final regulations include the entrance counseling requirements separately for each loan program. See the program regulations for complete information.

Prior to the first disbursement, MCCNC must provide to a first-time borrower of a Federal Direct Loan (other than consolidated or Parent PLUS loans) comprehensive information on the terms and conditions of the loan and of the (student/parent) borrower's responsibilities. This information will include:

- *An explanation of the use of the Master Promissory Note (MPN)
- * An emphasis to the borrower the seriousness and importance of the repayment obligation the student borrower is assuming
- * A description of the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation
- * The obligation of the borrower to repay the full amount of the loan regardless of whether the borrower complete program or completes within regular time for completion, is unable to obtain

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employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services the borrower purchased from the school

- * Information about the monthly payment amounts based on
- * A range of student levels of indebtedness of Direct Subsidized Loan and Direct Unsubsidized Loan borrowers, or student borrowers with Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans depending on the types of loans the borrower has obtained; or
- * The average indebtedness of other borrowers in the same program at the same school as the borrower
- * To the extent practicable, provide an explanation of the effect of accepting the loans to be disbursed on the eligibility of the borrower for other form of student financial assistance
- * Information on the accrual and capitalization of interest
- * Borrowers of unsubsidized loans have the option of paying interest while in school
- * Definition of half-time enrollment and the consequences of not maintaining half-time enrollment
- * Importance of contacting appropriate offices if student withdraws prior to completion of program of study
- * Sample monthly repayment amounts
- * Consequences of default
- * Information about the NSLDS and how the borrower can access the borrower's records
- * Name and contact information for individual the borrower may contact with questions about the borrower's rights and responsibilities or the terms and conditions of the loan

Entrance Counseling For Graduate Student Loan Borrowers 685.304(a)

Entrance counseling for graduate or professional student Direct PLUS Loan borrowers must:

- * Inform the student borrower of sample monthly repayment amounts based on:
- * A range of student levels or indebtedness of graduate or professional student PLUS Loan borrowers, or student borrowers with Direct PLUS Loans and Direct Subsidized Loans or Direct Unsubsidized Loans, depending on the types of loans the borrower has obtained or
- * The average indebtedness of other borrowers in the same program at the same school

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* Inform the borrower of the option to pay interest on a PLUS Loan while the borrower is in school

* For a graduate or professional student PLUS Loan borrower who has received a prior FFEL Stafford, or Direct Subsidized or Direct Unsubsidized Loan, provide all information required for undergraduate loans as outlined in the prior section above (685.304(a)(6)(i) through (a)(6)(vii))

Exit Counseling For Student Loan Borrowers 685.304(b); 668.42; 674.42(b)

Note: The final regulations include the entrance counseling requirements separately for each loan program. See the program regulations for complete information.

MCCNC must provide counseling to borrowers of loans under the FFEL, Federal Direct Loan, or Perkins Loan programs (other than consolidated or Parent PLUS loans) shortly before the student borrower ceases at least half-time study at the school. The counseling will provide information on:

- * Average anticipated monthly repayment amount
- * Repayment plan options
- * Options to prepay or pay on shorter schedule
- * Debt Management Strategies
- * Use of Master Promissory Note
- * The seriousness and importance of student's repayment obligation
- * Terms and conditions for forgiveness or cancellation
- * Copy of information provided by the U.S. Department of Education
- * Terms and conditions for deferment or forbearance
- * Consequences of default
- * Options and consequences of loan consolidation
- * Tax benefits available to borrowers
- * The obligation of the borrower to repay the full amount of the loan regardless of whether the borrower completes program or completes within regular time for completion, is unable to obtain unemployment upon completion, or is otherwise dissatisfied with or did not receive the educational or other services the borrower purchased from the school

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- * Availability of the Student Loan Ombudsman's office
- * Information about NSLDS. The U.S. Department of Education is required to provide a disclosure form for students and prospective students about NSLDS

Private Education Loan Disclosures (Including Self-Certification Form) 601.2; 601.11; 601.30; 668.14(b)(29)

Schools or school-affiliated organizations (e.g., alumni organizations, foundations) that provide information regarding a private education loan from a lender to a prospective borrower must provide information to the prospective borrower, including:

- * Information required under Section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e))
- * That the prospective borrower may qualify for loans or other assistance under the Title IV, HEA programs
- * That the terms and conditions of the Title IV, HEA program loans may be more favorable than the provisions of the private education loans.

The information regarding private education loans must be presented in a manner that makes it distinct from information regarding Title IV, HEA program Loans.

Self-Certification Form 601.2; 601.11; 601.30; 668.14(b)(29)

* MCCNC upon request provide in written or electronic form to an enrolled or admitted student applicant for a private education loan the self-certification form for private education loans required under Section 128(e)(3) of the Truth in Lending Act (15 U.S.C. 1638(e)(3)), and the information required to complete the form, to the extent the school possesses the information. The U.S. Department of Education is required to develop the form.

Code of Conduct for Education Loans 601.2; 601.21; 668.14(b)(27)

Each school must prominently publish on the school's website a code of conduct that prohibits a conflict of interest with the responsibilities of an agent of the school with respect to FFELP or private education loans. All agents with responsibility for loans must be informed annually of the provisions of the code. The code of conduct must prohibit:

- * Revenue-sharing arrangements with any lender
- * Receiving gifts from a lender, a guarantor, or a loan services
- * Contracting arrangement providing financial benefit from any lender or affiliate of a lender
- * Directing borrowers to particular lenders, or refusing or delaying loan certifications

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- * Offers of funds for private loans
- * Call center or financial aid office staffing assistance
- * Advisory board compensation

Preferred Lender Lists 601.2; 601.21; 668.14(b)(28)

Each school must annually make available in print or other medium to students attending the school and their families a list of the specific lenders for private education loans or for Title IV, HEA loans that the school recommends, promotes, or endorses in accordance with a preferred lender arrangement. The list must prominently disclose the method and criteria used by the school in selecting lenders for preferred lender arrangements to ensure that such lenders are selected on the basis of the best interests of the borrower. The list must also clearly and fully disclose:

- * The minimum information determined by the U.S. Department of Education (HEA Section 153(a)) (20 U.S.C.1019b)
- * Why the school participates in a preferred lender arrangement with each lender, particularly with respect to terms and conditions or provisions favorable to the borrower
- * That the students or their families do not have to borrow from a lender on the list
- * The list must have at least three FFELP lenders that are not affiliates of each other. If the list includes lenders of private education loans, there must be at least two lenders who are not affiliates. The list must indicate for each lender whether it is or is not an affiliate of the other lenders on the list. The details of each affiliation are to be disclosed. The U.S. Department of Education is required to provide to schools a list of the lender affiliates of all eligible lenders.

Preferred Lender Arrangements 601.2; 601.10; 601.12; 601.20; 601.21

A school or school-affiliated organization (e.g. alumni organizations, foundations) that participates in a preferred lender arrangement must comply with the code of conduct provisions in HEA Section 487(a)(25) (20 U.S.C. 1094(a)(25)) and HEA Section 487(h) (20 U.S.C. 1094(h)). School-affiliated organizations are required to prominently publish the code of conduct on their websites (if any) and annually inform agents with responsibility for education loans of the provisions of the code.

By February 14, 2010, the U.S. Department of Education is required to determine the minimum information to be disclosed to current and prospective students regarding preferred lender arrangements. The Department is also required to then develop model disclosure forms for FFELP and Federal Direct Loans that may be used by schools or school-affiliated organizations.

In addition to the information required for the Preferred Lender Lists, each school or school-affiliated organization in a preferred lender arrangement must disclose information on its website

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and in publications, mailings, or electronic messages, or materials that are distributed to prospective or current students and their families that describe the financial aid opportunities available to students attending the school and that describe or discuss education loans.

The information must include:

- * The maximum amount of Title IV, HEA grant and loan aid available to students
- * The information on the model disclosure form provided by the U.S. Department of Education (described above) for each type of loan offered pursuant to a preferred lender arrangement
- * A statement that the school is required to process documents for a FFELP loan from any eligible lender the student selects

Private Education Loans 601.2; 601.10; 601.12; 601.20; 601.21

- * Each school must provide on its website, and in publications, mailings, or electronic messages, or materials that are distributed to prospective or current students and their families that describe the financial aid opportunities available to students attending the school and that describe or discuss private education loans, the information required to be disclosed under Section 128(e)(11) of the Truth in Lending Act (15 U.S.C. 1638(e)(11)) for each type of private loan offered pursuant to a preferred lender arrangement.
- * Each school-affiliated organization must provide on its website, and in publications, mailings, or electronic messages, or materials distributed to students and families that describe private education loans and the information required to be disclosed under Section 128(e)(1) of the Truth in Lending Act (15 U.S.C. 1638(e)(1)) for each type of private loan offered pursuant to a preferred lender arrangement.

The name of the lender must be displayed in all information and documentation related to private education loans.

- * The information in the model disclosure form and the Truth in Lending Act information must be provided annually in a manner that allows students and families to take the information into account before selecting a lender or applying for an education loan. Annual report on Preferred Lender Arrangements 601.2; 601.10; 601.12; 601.20; 601.21

Each school and school-affiliated organization must make an annual report to the U.S. Department of Education that includes for each lender in a preferred lender arrangement with the school or school-affiliated organization

- * The minimum information the Department determines must be disclosed
- * Information required for private loans under the Truth in Lending Act

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* Detailed explanation of the reasons a school or school-affiliated organization participates in a preferred lender arrangement with the lender, including why the terms, conditions, and provisions of each type of loan are beneficial to the school's students or their families.

The information in the report must be made available to the public and provided to current students and students planning to attend the school and their families.