

# Leaving College? Your Loans Go with You



Students who do not complete their degrees are more likely to default on their loans. Student loan default negatively impacts students for many years, but it's avoidable. Don't ignore your loans.

## What Happens When Borrowers Default on Their Federal Student Loans?

- Loss of eligibility for federal financial aid and student loan repayment benefits.
- Additional charges, late fees and collection costs are added to the loan balance.
- Federal and state income tax refunds are withheld by the federal government.
- Income and other benefits may be withheld by the federal government.
- The borrower's credit score will be affected, which may impact their ability to get a job, qualify for a loan, sign up for utilities or rent an apartment.

See reverse for tips to avoid default.



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# Before You Leave...

**ASK** for help. Most colleges offer support, assistance and advising. You may be able to find alternative solutions to withdrawal.

**CONTACT** the financial aid office and your loan servicer. If no longer enrolled, your loans will enter repayment.

**THINK** about your return-to-school plan. Instead of withdrawing from school, consider another academic program that better meets your needs, or consider dropping to part-time enrollment.

**FILE** your FAFSA annually at [FAFSA.gov](https://fafsa.gov) even if your return to school is uncertain. If you decide to re-enroll, financial aid will be easier to access.

**VISIT** [nslds.ed.gov](https://nslds.ed.gov) to review your federal student loan history and repayment status. This is where you will find contact information for your loan servicer.

**SIGN UP** online with your loan servicer so that you can update your mailing address, make online payments or defer your loans if necessary. If your school participates in SALT, sign up for an account at [saltmoney.org](https://saltmoney.org).

**Contact us.  
We're here to help.**

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