

## **University of Georgia Cosigner Loan Program**

A Cosigner Loan is a loan that accrues interest which is made to students by the University of Georgia from University of Georgia trust funds. To receive a Cosigner loan a student must meet residency and citizenship requirements as specified by the individual loan trust fund and be enrolled in an undergraduate or graduate program of study at the University of Georgia. The loan requires that the student borrower have two cosigners. Credit history must be established for each cosigner. Cosigner loans are repaid directly to the University of Georgia. A student may borrow up to \$1,500 per school semester and with a maximum loan total of \$12,000. A loan is a serious obligation. Therefore, it is extremely important that you understand your rights and responsibilities.

### ➤ **ENROLLMENT REQUIREMENTS:**

Students are required to be enrolled at least half-time each term to receive Perkins Loan funds. However, failure to maintain at least half-time status will result in you having to complete a Exit interview and your loan will move into the repayment process.

### ➤ **APPLICATION INFORMATION:**

Students may apply for a University of Georgia Cosigner Loan at the Student Financial Aid Office on campus. If the student is awarded a University of Georgia Cosigner Loan, the student must complete and return an application and submit a copy of their cosigners' current credit report to the Student Accounts – Loan Servicing department. The documents are used to determine eligibility for the loan.

### ➤ **ENTRANCE REQUIREMENTS:**

The University of Georgia Cosigner Loan program requires completing entrance counseling and a promissory note each year that funds are awarded. ***Entrance Interview Questionnaires*** and Promissory notes are mailed to the students each award year, which must be completely filled out, signed and returned to Student Accounts – Loan Servicing department. Promissory notes must be completed and signed by the student borrower and the two approved cosigners for the loan. Funds will not be disbursed until our office receives the proper paperwork for the loan.

➤ **FUNDS DISBURSEMENT:**

Financial aid funds are first applied to a student's account balance and any excess funds are mailed to you in the form of a check or directly deposited into your personal bank account.

➤ **EXIT REQUIREMENTS:**

Every time a student's enrollment is less than half time, graduates or withdrawals from the University of Georgia, they must complete an ***Exit Interview Questionnaire***. It must be completely filled out, signed and returned to Student Accounts – Loan Servicing Department. If the Exit questionnaire is not returned to our office or is not completely filled out, the student's University of Georgia records are flagged until the proper paperwork is completed.

➤ **CREDIT BUREAU REPORTING:**

In accordance with federal regulations, all loan information including loan balances and repayment histories are reported to National Credit Bureaus at the time of disbursements and continually reported monthly until the loan is paid in full.

➤ **INTEREST INFORMATION:**

The annual percentage rate per the terms of the promissory note will be computed on the unpaid balance. Interest rates and the date interest begins to accrue varies based on the specifications of the loan fund from which the student is borrowing. Interest may start accruing while you are in school. So, please refer to the promissory note for the interest rate and date the interest begins to accrue.

➤ **PREPAYMENT INFORMATION:**

Borrowers may, without penalty, prepay on their loan. Prepayments will be used to reduce the amount of outstanding loan principal and decrease the repayment period and related total interest charge. If you pay more than your monthly payment, the additional amount will automatically be applied to principal unless you otherwise designate. If partial prepayments on the loan are made, the next monthly payment will still be due as originally scheduled. Borrower's who wish to have prepayments applied to the next scheduled payment(s) of their loan, must request this in writing accompanying their payment. (Installment payments in advance must equal or exceed the scheduled amount of future installment(s). If you would like to make a prepayment on your University of Georgia Perkins loan, you may write a letter of your intentions or use our ***Prepayment Letter***.

➤ **PAYMENT INFORMATION:**

○ **WHEN ARE PAYMENTS DUE:**

Payments are due on the 1<sup>st</sup> of each month to the University of Georgia, Student Accounts – Loan Servicing Department. Payments are considered late if received after the 15<sup>th</sup> of each month and if applicable, you will be charged a late fee.

○ **WHO SHOULD CHECKS OR MONEY ORDERS BE MADE PAYABLE TO:**

Checks should be made payable to "The University of Georgia". Please include borrower name and last four numbers of social security number on the check. Payments should be accompanied by a payment coupon. However, if you do not have a payment coupon, you may mail your payment without one and request future payment coupons. You may also print a general **payment coupon** and mail it with your payment. Please remember that not having a payment coupon does not excuse you from making a payment. The coupon helps to properly credit your account with your payment. If you do not have a supply of coupons, please contact Student Accounts.

○ **WHERE TO MAIL COSIGNER LOAN PAYMENTS:**

Checks should be mailed to:

The University of Georgia  
Student Accounts – Loan Servicing  
110 Business Services Building  
Athens, GA 30602-4226

➤ **REPAYMENT INFORMATION:**

Repayment is made in equal monthly installments and is made directly to the University of Georgia, Student Accounts – Loan Servicing Department. Monthly payments amounts are determined by each loan advance and the accrued interest to be repaid over a twelve month period (please see the repayment example listed below). Repayment begins on the 1<sup>st</sup> of the month after the three month grace period following graduation, withdrawal or enrollment less than a half-time. Payments are considered late if received after the 15<sup>th</sup> of each month and your account will be access late fees. However, if a borrower cannot make the full payment on time, they must contact our department to make arrangements to bring their account current. If the student borrower fails to repay the cosigner loan, the University of Georgia will seek repayment from one or both cosigners in accordance with the terms of the promissory note. If a loan becomes delinquent, the University of Georgia may assign

➤ **REPAYMENT INFORMATION (continued):**

loans to an outside collection agency or legal firm for collection in which case the borrower is responsible for all collection costs, attorneys fees and court costs incurred by the University in collecting the delinquent account.

○ **REPAYMENT EXAMPLE:**

Sally Student borrowed \$3,000 each year for four years for a total of \$12,000. Interest accrued at 6% from the date of the disbursement. The student graduated August 1, 1997. Sally will begin to repay this loan on November 1, 1997 at the rate of \$106.00 per month. Monthly payments will first be applied to outstanding interest and once that has been paid, her payments will be applied to both interest and principal. The following table shows the total amount of accrued interest at the time Sally begins repayment of the loan.

Disbursement	Date of Disbursement	Principal Amount	Accrued Interest
Freshman year:			
1st disbursement	09/01/1993	\$ 1,000.00	\$ 250.00
2nd disbursement	01/05/1994	\$ 1,000.00	\$ 230.00
3rd disbursement	06/01/1994	\$ 1,000.00	\$ 205.00
Sophomore year:			
1st disbursement	09/01/1994	\$ 1,000.00	\$ 190.00
2nd disbursement	01/05/1995	\$ 1,000.00	\$ 170.00
3rd disbursement	06/01/1995	\$ 1,000.00	\$ 145.00
Junior year:			
1st disbursement	09/01/1995	\$ 1,000.00	\$ 130.00
2nd disbursement	01/05/1996	\$ 1,000.00	\$ 110.00
3rd disbursement	06/01/1996	\$ 1,000.00	\$ 85.00
Senior year:			
1st disbursement	09/01/1996	\$ 1,000.00	\$ 70.00
2nd disbursement	01/05/1997	\$ 1,000.00	\$ 50.00
3rd disbursement	06/01/1997	\$ 1,000.00	\$ 25.00
Total:		\$ 12,000.00	\$ 1,660.00

➤ **DEFERMENT BENEFITS DEFINITION AND TYPES:**

A deferment allows the temporary postponement of principal payments and in some cases also interest payments while you meet certain criteria. The University of Georgia Cosigner Loan program has several deferment provisions which in general include a four month grace period after your deferment ends. Repayment resumes on the 1<sup>st</sup> of the month following your last enrollment date after a four month grace period. Each deferment has different criteria you must meet in order to receive the benefit. Please read the following types of deferments to determine if you may qualify for the benefit. If you believe that you are eligible for a deferment, please follow the instructions under that provision and call us for further instructions. It is the borrower's responsibility to file the request for deferment on a timely basis. Failure to submit the deferment forms by the due date may result in the reporting of past due information to the Credit Bureau on your account. Please remember it is your responsibility to contact our office to apply for a deferment.

○ **IN-SCHOOL DEFERMENT:**

Borrowers who are enrolled at least half-time in an eligible institution may be eligible for a repayment deferment. This deferment can be granted for up to one year per request and reapplied for if you remain eligible. This deferment allows the suspension of principal and interest (and interest does accrue) repayments during the deferment period. Repayment resumes on the 1<sup>st</sup> of the month following your last enrollment date after a four month grace period. To request your loan to be placed in deferment based on the criteria you are enrolled at least half-time at an eligible institution, you must print and complete the ***Enrollment Certification*** form which must be certified and officially stamped by the Registrar at the school you are attending. The Enrollment Certification form must be received by our office in order to defer your repayment. If your school prefers to use its own official certification, you may submit their certified form in lieu of our Enrollment Certification form. Remember, if you did not attend school, you will be asked to make payment for all prior months in which your loan was in deferred status when you became ineligible. If you should leave school during a period of deferment, contact our office immediately.

○ **MILITARY DEFERMENT:**

Borrowers who serve full time on active duty in the armed forces and in some cases the National Guard or the Reserves may be able to defer repayment. This deferment can be granted for up to one year per request and reapplied for if you remain eligible up to a two year maximum. This deferment allows the suspension of principal and interest (and interest does

○ **MILITARY DEFERMENT (continued):**

accrue) repayments during the deferment period. Repayment resumes on the 1<sup>st</sup> of the month following your last enrollment date after a four month grace period. To request your loan to be placed in deferment based on the criteria of military service, you must print and complete the ***Cosigner Loan Military Services Deferment Request*** form. The service and dates of service rendered must be officially verified by your Commanding Officer. You also may be asked to provide additional documentation to verify your qualification for this deferment. The form and if necessary any additional documentation must be returned to our office in order to defer your repayment.

➤ **UPDATING PERSONAL INFORMATION:**

It is imperative, without exception, that borrowers update the Student Accounts – Loan Servicing department of any personal information changes. We cannot correspond with you about your University of Georgia Cosigner loan in a timely basis without a correct and updated address. Updating your address with the University of Georgia Registrar's Office or on the OASIS Registration System will not automatically update your address for UGA Cosigner loan. Therefore, students are required to contact the Student Accounts – Loan Servicing Department by phone or by completing and return to our office the ***Personal Information Change and or Update*** form, every time any personal information changes. Here are some examples of changes in personal information, but not limited to the following:

- Before withdrawing from school or before transferring to another school
- When dropping below half-time status.
- When names changes, address, phone numbers or emails

➤ **FORMS:**

All forms pertaining to the University of Georgia Cosigner Loan can be viewed and printed by clicking the word ***Forms***.

➤ **QUESTIONS:**

If you have any question pertaining to the University of Georgia Cosigner Loan, please contact us by:

Mail: The University of Georgia  
Student Accounts – Loan Servicing  
110 Business Services Building  
Athens, Georgia 30602-4226

Phone: (706) 542-6834  
Fax: (706) 542-3959  
Email: [ugaloans@uga.edu](mailto:ugaloans@uga.edu)