

NEWS FROM

KHEAA–Alabama

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Money Tip for Students, January 2021

First-time federal student loan borrowers must complete entrance counseling

Alabamians who will borrow money for college using federal student loans must complete entrance counseling if they are borrowing for the first time, according to KHEAA–Alabama.

Entrance counseling helps students understand the financial commitments they're agreeing to when they receive their loan. Fully understanding these financial obligations is an important step in taking out federal student loans to help pay for education after high school.

The U.S. Department of Education requires borrowers to complete the counseling before students will receive loan funds. The counseling will teach users how to borrow responsibly so they don't take out more loans than they need.

The department offers online counseling at studentaid.gov under the Complete Aid Process tab. The counseling should take between 20 to 30 minutes. Borrowers should check with their college to see if the federal counseling session is accepted as some schools have alternate counseling program requirements.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents.

KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit www.kheaa.com.

In addition, KHEAA disburses private Advantage Education Loans on behalf of its sister agency, KHESLC. For more information, visit www.advantageeducationloan.com.

For more information about financial aid and college planning, visit www.alstudentaid.com.