

# Federal Student Loans and Repayment

## Financial Aid Resources:

All admitted applicants and current students have extensive financial aid resources available to them on BLS Connect, including student loan debt management, student loan default, student loan interest rates/ fees repayment options, BLS LRAP (Loan Repayment Assistance Program), and Federal Public Service Loan Forgiveness.

Every admitted applicant has the option to attend financial aid webinars, and to receive one-on-one financial aid counseling. Email [Sissel.funaro@brooklaw.edu](mailto:Sissel.funaro@brooklaw.edu) to participate in a webinar or to request a counseling appointment.

In addition to Entrance Counseling, all students will also receive Exit Counseling prior to graduation (or withdrawal). There are in-person workshops each spring, and private one-on-one counseling. Information will go out each spring via email.

Below is a statement on Student Loan Default from the US Department of Education. With income-based repayment options, economic hardship deferments, and forbearance, no borrower should ever default on student loans. Borrowers who do not have income can receive an income-based repayment of \$0 per month until they are employed.

Federal Student Loan programs can help you regardless of the financial situation you may face in the future. There is nothing to fear as long as you take simple steps in managing your student loan repayment, and the BLS Office of Financial Aid is available to help you.

## Consequences of Default (Federal Student Loans Website)

The consequences of defaulting can not only impact your ability to borrow but can impact your finances as well. Consequences include the following:

- The entire unpaid balance of your loan and any [interest](#) you owe becomes immediately due (this is called "[acceleration](#)").

- You can no longer receive [deferment](#) or [forbearance](#), and you lose eligibility for other benefits, such as the ability to choose a repayment plan.
- You lose eligibility for additional federal student aid.
- The default is reported to credit bureaus, damaging your credit rating and affecting your ability to buy a car or house or to get a credit card.
- It may take years to reestablish a good credit record.
- You may not be able to purchase or sell assets such as real estate.
- Your tax refunds and federal benefit payments may be withheld and applied toward repayment of your defaulted loan (this is called “[Treasury offset](#)”).
- [Your wages may be garnished](#). This means your employer may be required to withhold a portion of your pay and send it to your [loan holder](#) to repay your defaulted loan.
- Your loan holder can take you to court.
- You may be charged court costs, collection fees, attorney’s fees, and other costs associated with the collection process.
- If your school withholds your official transcript, upon your request the school must provide you with an unofficial transcript that might be accepted by another institution. If you are struggling to get your transcript from your school, [submit a complaint to the Consumer Financial Protection Bureau](#).