

ANNUAL STUDENT LOAN ACKNOWLEDGMENT

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U.S. Department of Education
2020 Virtual FSA Training Conference for Financial Aid Professionals*

AGENDA

- 01 Background and Purpose
- 02 User Feedback
- 03 User Experience
- 04 College Scorecard
- 05 Aggregate Loan Maximums
- 06 Acknowledgment in Common Origination and Disbursement (COD)
System

BACKGROUND AND PURPOSE



WHAT IS ANNUAL STUDENT LOAN ACKNOWLEDGMENT?

- StudentAid.gov tool to inform borrowers what they owe in federal student loans or, for new borrowers, provide important information about student loans
- Addresses some long-standing borrower pain points
- Assists borrowers in planning for future borrowing
- All Federal Direct Loan borrowers will have to acknowledge prior to receiving a loan disbursement for Award Year 2021-22

Annual Student Loan Acknowledgement

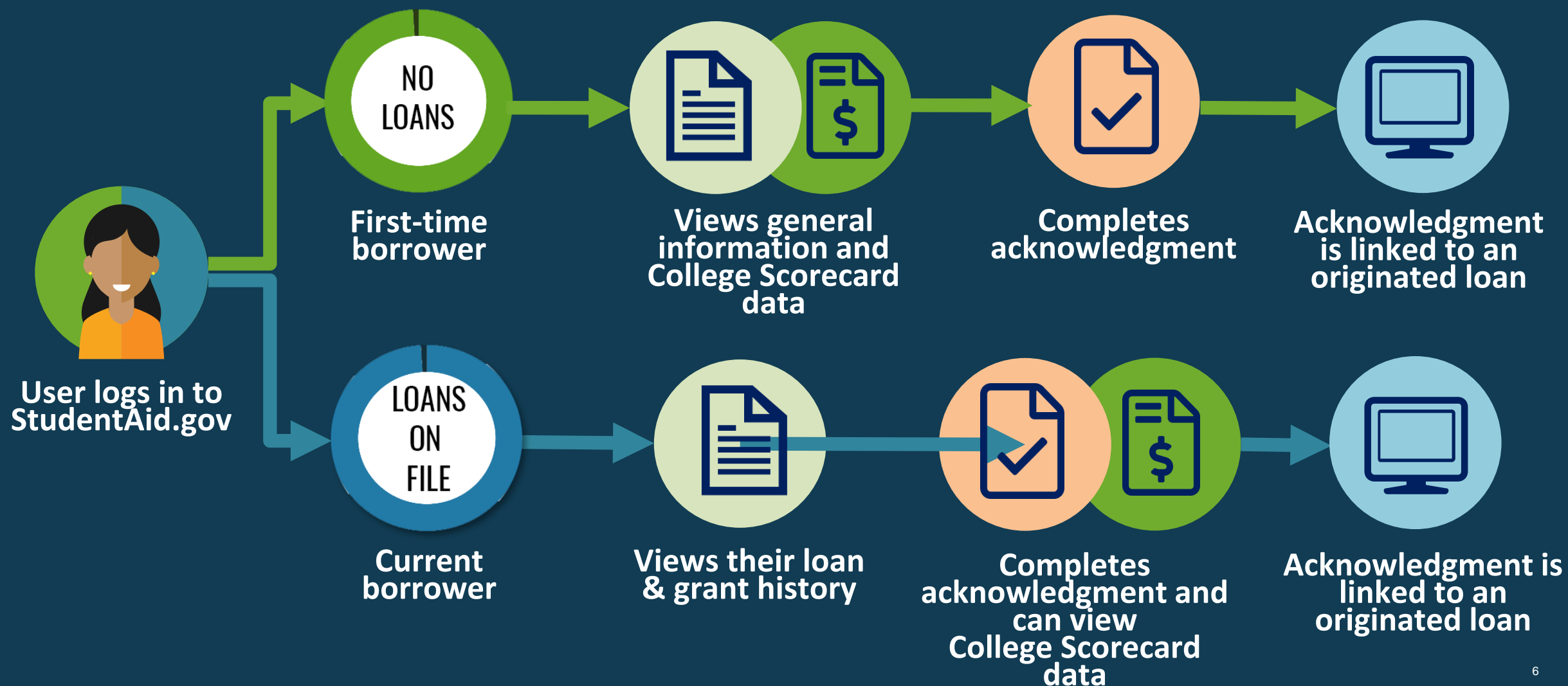
Next Gen DCC

- Loan Status and Forecasts
- Estimated Monthly Payments
- College Scorecard Data

WHAT DOES IT PROVIDE?

- Fundamental borrowing information for new borrowers
- Outstanding loan debt presented in clear and user-friendly manner
- Education on basic concepts, such as interest accrual and capitalization, and the difference between federal and private loans
- Remaining aid available for the borrower based on their grade level and aid received to date
- College Scorecard data – what do “students like me” borrow and earn after graduation
- Links to other Informed Borrowing Tools like Loan Simulator so students can see what estimated monthly payment would be if they take out additional loans

USER EXPERIENCE ON STUDENTAID.GOV



USER FEEDBACK



TESTING AND UPDATING

- FSA wants impactful financial literacy tools to ensure borrowers are educated regarding their student loans
- By testing, we learn what borrowers take away from the information we provide
- We can update the acknowledgment tool based on what users tell us – A/B Testing, Usability Testing
- This aligns with the *Executive Order on Improving Free Inquiry, Transparency, and Accountability at Colleges and Universities* to help families understand the cost of higher education

TESTED AND IMPROVED

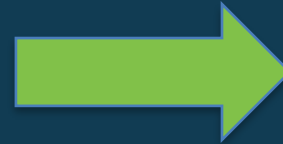
- Performed user testing with High School Seniors, College Undergrads, Graduate Students, and Parents
- Identified and developed design recommendations for improving the acknowledgment, specifically customizing the borrower profiles
- Based on feedback, the landing page now features borrower types and a tracker that guides users to the submission of the acknowledgment and next steps
- 200 Financial Aid Administrators provided valuable input at last year's conference

USER EXPERIENCE



LOG IN TO STUDENTAID.GOV

- Log in: StudentAid.gov
- Have an Active ID
- Navigating to Annual Student Loan Acknowledgment:
 - Dashboard
 - Header
 - Footer



COMPLETE AID PROCESS

How Aid is Calculated

Comparing School Aid Offers

Complete Annual Student
Loan Acknowledgement

Receiving Financial Aid

Complete Master Promissory Note

Complete Entrance
Counseling

Get a TEACH Grant

LANDING PAGE

FederalStudentAid | PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾

Search 🔍 Notifications 🔔 User: John ▾

Annual Student Loan Acknowledgment

To ensure you understand the debt obligations and responsibilities you're taking on, the **Annual Student Loan Acknowledgment** is required each year for students and/or parents who have accepted a subsidized/unsubsidized or PLUS loan.

What am I Acknowledging?

If this is your **first time** accepting a federal student loan, then you will review and acknowledge that you understand your debt estimations.

If you have **existing federal student loans**, then you will review and acknowledge that you understand your accumulated debt and remaining eligibility thusfar.

Start

Who Should Complete This?

This tool is for all

- undergraduate borrowers
- graduate borrowers, and
- parent borrowers

How Long Will It Take?

10 Minutes

Most people complete the acknowledgement in less than 10 minutes.

What Do You Need?

- Verified **FSA ID**
- School Name *
- Degree Type *
- Field of Study

* First-time borrowers only

Plain language and clear graphics

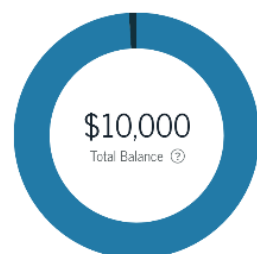
BORROWER WITH LOANS AND GRANTS

Annual Student Loan Acknowledgment

Find out what you owe now and how much more you can borrow

My Loans

Total Outstanding Federal Loans



• \$9,958
Principal

• \$42
Interest

Information is cumulative as of 01/01/2020 and doesn't include future disbursements. This may not account for payments made to your loan servicer.

[View Loan Details](#)

If you started repaying your loans now, your monthly payment would be:

\$100
Per Month

Assumes a 10-year standard repayment plan.

Why This Matters

As a rule of thumb, your total student debt should not exceed your first year's salary after college. Learn about more affordable [repayment plans](#) or contact your financial aid office about options. You can make interest-only payments while you are still in school to reduce your loan total and payment amount.

My Servicers

Navient

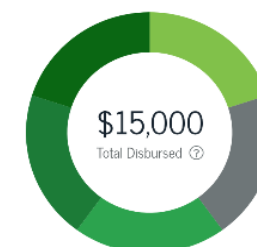
[Navient](#) emailnavient@navient.com [1-800-722-1300](tel:1-800-722-1300)

My Grants

6 Grants Disbursed to Date

2 Pell Grants	\$3,000
1 TEACH Grant	\$3,000
1 IASG	\$3,000
1 ACG	\$3,000
1 Smart	\$3,000

[View Grant Details](#)



INFORMATION FOR NEW BORROWERS

Annual Student Loan Acknowledgment

Before you take out student loans each year, understand your rights and your responsibility to repay.
Be informed, borrow wisely.

Estimate What You Will Owe and Earn

Find out what the average loan debt, monthly loan payment, and salary for students in various academic programs at specific schools.

☒ U.S. Schools/U.S. Territory Schools

☐ Non U.S. Schools

State

School Name

Degree/Certificate



Field of Study - Optional



View Data

INFORMATION FOR NEW BORROWERS

Borrowing Tips

- 01 Borrow only what you need
- 02 Consider making payments before repayment starts
- 03 Contact your student loan servicer for help
- 04 Learn about your repayment obligations
- 05 Research repayment and forgiveness options early

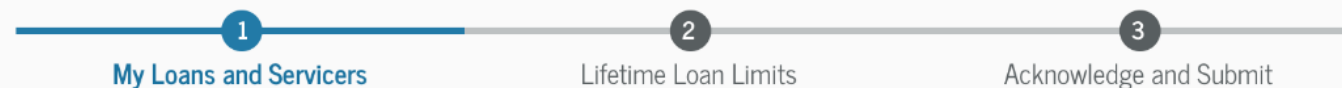
Borrowing Tips

Borrowers will have access to these five borrowing tips to better understand the impact of their financial aid.

IMPROVED FEATURES

- The landing page differs based on the user – information targeted and personalized
- Individual specific landing pages shorten the time spent on unnecessary information

Annual Student Loan Acknowledgment



I am an Undergraduate student.

Neque porro quisquam est, qui dolorem ipsum quia dolor sit amet, consectetur, adipisci velit, sed quia non numquam eius modi tempora incidunt ut labore.

Log In to Start



I am a Graduate student.

I have taken out Grad PLUS Loans, or I will be taking out Grad PLUS Loans this year. Lorem ipsum dolor sit amit.

Log In to Start



I am a Parent of an undergraduate student.

I have taken out Parent PLUS Loans, or I will be taking out Parent PLUS Loans this year. Lorem ipsum dolor sit amit.

Log In to Start

COLLEGE SCORECARD



WHAT IS COLLEGE SCORECARD?

- Provides data on college costs, graduation rates, post-college earnings, and other useful information to help borrowers make the best decision about where to go to school and how to make the best use of their financial aid
- Information available for different schools and different programs – for example, estimated student loan debt and estimated monthly loan payments for a Business degree as compared to a Social Work degree

Think Ahead, Prepare for the Future

Estimate What You Will Owe and Earn

Find out what the average loan debt, monthly loan payment, and salary for students in various academic programs at specific schools.

☒ U.S. Schools/U.S. Territory Schools
☐ Non-U.S. Schools

State
Maryland

School Name
University of America

Degree/Certificate
Bachelor's Degree

Field of Study - Optional
Atmospheric Sciences and Meteorology

View Data

University of America Bachelor's Degree

Data for School

Data for Academic Program

COLLEGE SCORECARD ELEMENTS

- Information for the selected school and program of study must be viewed by new borrowers before completing the acknowledgment
- For current borrowers, the College Scorecard appears **after** confirmation
- Borrowers with no loans on file will see the average amount of debt to understand the impact of taking out loans. After a borrower selects a school and program of study, the following information is displayed:
 - average annual cost for the school
 - graduation rate for that school
 - typical total debt for this program/major
 - typical salary one year after program completion for this program/major
 - typical monthly loan payment for this program/major



INFORMATION PROVIDED

Data for School

Once a borrower selects a school the Average Annual Cost of attendance will populate to give students an understanding before enrolling of how much it will cost to attend this school. The graduation rate will also display in the form of a percentage and graph.

University of America Bachelor's Degree

Rectangular Snip

Data for Academic Program ?

Atmospheric Sciences and Meteorology

Total Debt at Graduation ?

\$17,400

Salary After Program Completion ?

\$43,400

Monthly Loan Payment ?

\$281

(4% of your monthly Salary)

Data for School

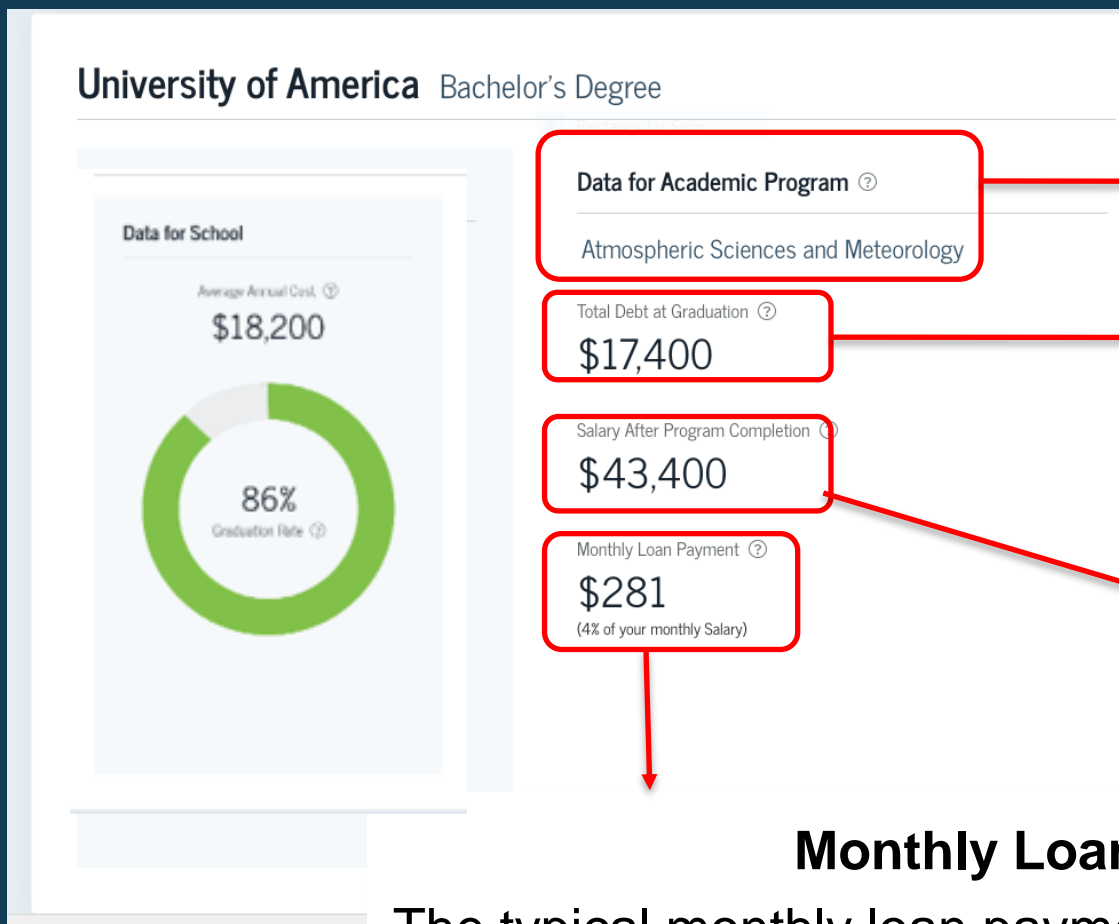
Average Annual Cost, ?

\$18,200



Graduation Rate ?

INFORMATION PROVIDED



Data for Academic Program

If data is not available, a range will be shown that represents the program with the lowest salary and the program with the highest salary.

Total Debt at Graduation

The typical debt at the time of program completion for this program/major.

Salary After Program Completion

The typical salary one year after completion for this program/major will display here.

Monthly Loan Payment

The typical monthly loan payment for data selected above will display here. If data does not exist for listed major, a range for all programs at this selected school will display.

CURRENT BORROWERS



You successfully submitted your 2020 - 2021 Acknowledgment

Thank you for acknowledging your aid options and
responsibilities when borrowing money for school.

[Go to My Documents](#)

For current borrowers, the College
Scorecard appears **after** confirmation.

Think Ahead, Prepare for the Future

Estimate What You Will Owe and Earn

Find out what the average loan debt, monthly loan payment, and salary for
students in various academic programs at specific schools.

☒ U.S. Schools/U.S. Territory Schools

☐ Non-U.S. Schools

State

Maryland

School Name

University of America

Degree/Certificate

Bachelor's Degree

Field of Study - Optional

Atmospheric Sciences and Meteorology

[View Data](#)

University of America Bachelor's Degree

Data for School

Data for Academic Program ⓘ

AGGREGATE LOAN MAXIMUMS



UNDERGRADUATE STUDENT

Lifetime Subsidized and Unsubsidized Loan Limits ?

[View Subsidized Usage](#)

Dependent | Undergraduate | Additional Subsidized Eligibility

i Lifetime limits do not apply to [PLUS loans](#). PLUS loans have their own borrowing limits.

Based on the information we have, you may still be eligible to receive up to **\$21,500** in federal loans **over your lifetime**. Annual loan limits still apply.

Lifetime Loan Limit Tracker ?



\$10,000 borrowed to date (32%)

out of \$57,500 max

This is an estimate based on the information provided on your FAFSA® form and the most recent loan history we have on file. Please contact your school's financial aid office or your loan servicer for more details.

Why This Matters


There is both an [annual and lifetime limit to the amount you can borrow in federal student loans](#) based on your dependency status and academic program. Your school determines your financial aid offer each year.

STUDENT WITH CONSOLIDATED LOANS

Lifetime Subsidized and Unsubsidized Loan Limits ?

[View Subsidized Usage](#)

Graduate

 Lifetime limits do not apply to [PLUS loans](#). Your lifetime loan limits may be higher if you're a health profession student.



You have a Direct Consolidation loan on file and are unable to view loan limits.
Contact your school's financial aid office for details.

Why this Matters

There is both an [annual and lifetime limit to the amount](#) you can borrow in federal student loans based on your dependency status and academic program. Your school determines your financial aid offer each year.



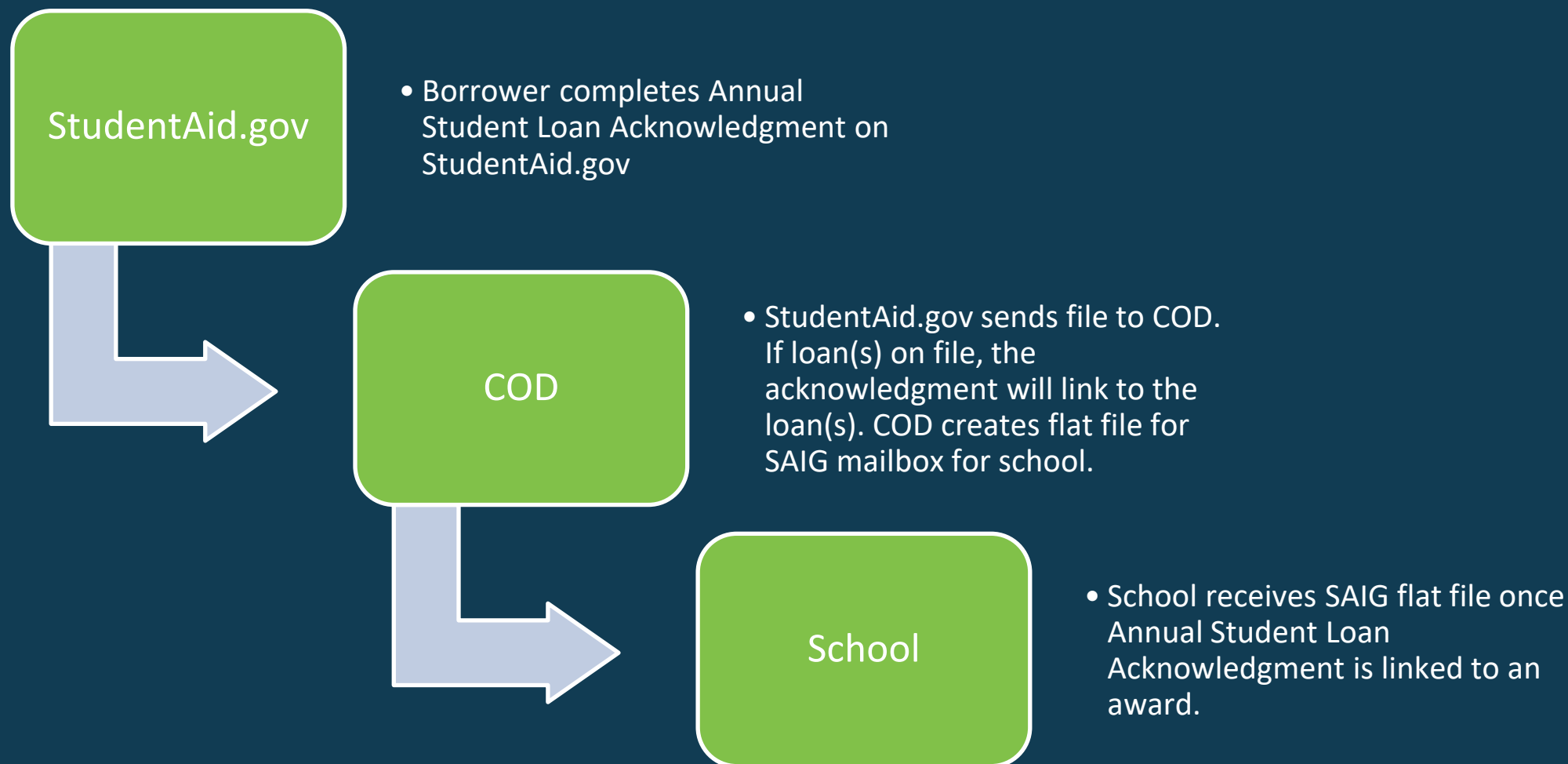
ACKNOWLEDGMENT IN COD



COMMON ORIGINATION AND DISBURSEMENT (COD) SYSTEM

- **Borrowers** will see the term “Annual Student Loan Acknowledgment” on StudentAid.gov and in communications
- **Schools** will see “Informed Borrowing Confirmation” on COD website screens, in tags for the COD XML schema, and in parts of the COD Technical Reference
- All acknowledgments will be mapped to Award Year 2021/2022 after the new award year is set up COD (March 2021)
- School Reports are available in COD to determine which borrowers have completed the acknowledgment

FLOW CHART



More Questions?

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THANK YOU

