

# Exit Counseling for Direct Loans

A school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the borrower ceases at least half-time study at the school.

**34 CFR 685.304(b)(4)** [https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-685/subpart-C#p-685.304\(b\)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-685/subpart-C#p-685.304(b))

A Direct Loan student borrower who is graduating, leaving school, or dropping below half-time enrollment is required to complete exit counseling. If he drops out without notifying your school, you must confirm that he has completed online counseling or mail exit counseling material to him at his last known address.

**FSA Handbook** [https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2022-2023/vol2/ch6-consumer-information-and-school-reporting#pid\\_1297750](https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2022-2023/vol2/ch6-consumer-information-and-school-reporting#pid_1297750)

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## Policies

A Direct Loan borrower who is graduating, leaving school, or dropping below half-time enrollment is required to complete Direct Loan exit counseling. USU will follow up with an email and letter containing the exit counseling URL. The email and letter will be created at the same time so that the letter can reach the student within 30 days of the email being sent. The email will also contain written materials about exit counseling. An email will be sent to the preferred email address and the letter will be sent to the last known mailing address for the following groups:

### Graduating Students

- USU will identify and notify by email each borrower that has applied for graduation about the exit counseling requirement prior to their graduation date.
- At the same time, USU will follow up with a letter containing the exit counseling URL to be sent to the last known mailing address.

### Students who completely withdraw

- Within 30 days of the borrower dropping all their classes, USU will notify by email each borrower about the exit counseling requirement.
- At the same time, USU will follow up with a letter containing the exit counseling URL to be sent to the last known mailing address.

### Students who drop below half-time during the term

- Within 30 days of the borrower dropping below half-time enrollment, USU will identify and notify them by email about the exit counseling requirement.
- At the same time, USU will follow up with a letter containing the exit counseling URL to be sent to the last known mailing address.

### Students who don't re-enroll at least half time

- USU will identify and notify by email each borrower that does not re-enroll at least half-time by the last day to add about the exit counseling requirement.
- At the same time, USU will follow up with a letter containing the exit counseling URL to be sent to the last known mailing address.

### Students who don't re-enroll

- USU will identify and notify by email each borrower that does not re-enroll by the last day to add about the exit counseling requirement.
- At the same time, USU will follow up with a letter containing the exit counseling URL to be sent to the last known mailing address.

### Summer Exceptions

- USU is not required to provide exit counseling to students enrolled less than half time during the summer if it expects that student to enroll at least half time for the fall term - by that student not applying for summer graduation.

### Record keeping

USU will maintain records documenting our compliance with loan entrance and loan exit counseling requirements for each student borrower.