

## **Why are my CFI loans at NCSEAA?**

The North Carolina State Education Assistance Authority (NCSEAA) is the State guaranty agency (guarantor) for loans made and serviced by the lender College Foundation, Inc. (CFI).

If your CFI loans become **delinquent** by more than 65 days, CFI asks NCSEAA for assistance in trying to avert those loans from defaulting. As a result, you may be contacted by NCSEAA about your CFI loans in that NCSEAA as the guarantor has a vested interest in those loans.

**Default** is the failure to repay a loan according to the terms agreed to in the promissory note. For most federal student loans, you will default if you have not made a payment in more than 270 days. If your CFI loans ultimately default due to non-payment, CFI files a default claim on the loan and transfers ownership of the loan to NCSEAA for collection. The collection powers of NCSEAA are much greater than those of CFI by virtue of NCSEAA being a governmental agency.

CFI may also transfer loans to NCSEAA during periods of borrower bankruptcy or on the basis of total and permanent disability, death, false certification or closed school claims.

If you have questions about loans that are still at CFI, you can contact CFI at **800-722-2838**.