

Financial Aid Office Quinsigamond Community College

2014-2015 WILLIAM D. FORD FEDERAL DIRECT STAFFORD LOAN GUIDE

Students awarded a Federal Direct Stafford Loan are responsible for reading the following information on borrowing under this loan program.

A Subsidized Loan is awarded to students who demonstrate financial need. The interest is subsidized (does not accrue interest) while you maintain eligibility under the “150% Direct Subsidized Loan Limit” and until repayment begins. Additional information on this limit is available on our website.

An Unsubsidized Loan is awarded to students regardless of financial need. You are responsible for the interest while enrolled in school. You may choose to defer the interest payments while in school and during your grace period but the interest will be capitalized. Capitalization increases the unpaid principal balance of your loan and you will then be charged interest on the increased principal amount. It will save you some money in the long run if you pay the interest as it accrues on your loan while you are in school.

Federal Direct Stafford Loans are subject to an origination fee. The fee is currently 1.073% of the loan amount but may change after October 1, 2014. As a Federal Direct Stafford Loan Borrower, you will be borrowing your loan funds directly from the federal government. When the Direct Loan Servicing Center (DLSC) approves your loan, they will send a Disclosure Statement to your permanent home address. The notice will provide the terms of the loan, the total amount approved, the fees that will be subtracted from the loan, and the expected disbursement dates.

Declining or Reducing Your Loan

You are not required to accept the loan(s) offered to you and should only borrow if you need the funds. You should make a careful assessment of your educational expenses for the academic year and determine the amount you need to borrow. Your decision to decline or reduce a loan does not impact future loan offers.

If you do not want to borrow you should notify the Financial Aid Office to minimize unnecessary communication. To reduce the loan amount offered to you or decline the loan, complete the Direct Loan Decline form or email financialaid@qcc.mass.edu from your Qmail account indicating your request to decline or reduce and be sure to include exact amounts and semesters.

To be Eligible for Your Loan

- 1. You must remain enrolled and be actively attending at least half-time (six credits) each semester.**
- 2. Your financial aid file must be complete and all loan requirements met prior to your last date of attendance.**

If you withdraw from QCC or drop below six credits for the semester before your loan is disbursed, you may not be eligible to receive the loan funds.

Students who are in the first year of undergraduate study **and** first time borrowers must complete their loan documents and complete the first 30 days of their academic program in order to be eligible.

Requirements to Receive Your Loan(s): Entrance Counseling & Master Promissory Note (MPN)

1. All first time borrowers at QCC must complete Entrance Counseling. The Entrance Counseling provides you with important information regarding your rights and responsibilities as a Direct Loan borrower. You can fulfill this requirement at <https://studentloans.gov>. Sign in using your FAFSA PIN and click on *Entrance Counseling*. Please be sure to select QCC to receive the information. If you don't remember your pin go to: www.pin.ed.gov.

2. **You will be notified by the Financial Aid Office if you need to complete a Master Promissory Note.** In most cases, once you have submitted the Master Promissory Note (MPN) and it's been accepted, you won't have to complete a new MPN again. A promissory note is a legally binding contract between you, the borrower of a Federal Direct Stafford Loan, and the federal government. It contains the terms and conditions of the loan and explains how and when it should be repaid. To complete your master promissory note online, you will be required to use your FAFSA PIN.

