

## Financial Aid Office Quinsigamond Community College

### 2012-2013 WILLIAM D. FORD FEDERAL DIRECT STAFFORD LOAN GUIDE

According to the information you provided on your 2012-2013 Free Application for Federal Student Aid (FAFSA), you are eligible for a William D. Ford Federal Direct Stafford Loan. You are responsible for reading the following information on borrowing under this loan program.

A Subsidized Loan is awarded to students who demonstrate financial need. Interest subsidy during the six-month grace period is eliminated for new loans made on or after 7/1/2012 and before 7/1/2014.

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 of up to 1.0 % of the loan principal. These fees will be deducted from your loan proceeds before disbursement. 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 you 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.

#### 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.

Loan funds will be credited to students' QCC accounts starting in the middle of the semester and weekly thereafter. Students who have a credit balance after their charges have been paid will be eligible for a refund check. The Business Office will notify you by Qmail when your refund check is available. Dates when refund checks will begin to be available are also listed on The Q.

**Please remember that a Federal Direct Stafford Loan is a loan. You will need to repay the funds you borrow, plus interest and fees.** If you have any questions on the loan or the loan application process, please contact our office at 508-854-4261.

### 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 easily fulfill this requirement by going to <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](http://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 fill out a new MPN for future loans you receive. 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. Therefore, it is very important that you completely read and understand all of the information on the promissory note. To complete your master promissory note online, you will be required to use your Department of Education-issued PIN.

**\*\*Please note that you cannot complete your entrance counseling or promissory note until after 7/5/2012\*\***

## Declining or Reducing Your Loan

You have the option of reducing the amount(s) offered or declining the loan. Your decision about what and how much to borrow does not affect your future eligibility for financial aid or future loan amounts.

- To reduce the loan amount offered to you, change the amount offered on the award letter to the amount you wish to borrow. After signing and dating the award letter, return a copy to our office.
- To decline your loan(s), please write a note on the Award Letter stating you are declining the loan. After signing and dating the award letter, return a copy to our office.

## FEDERAL DIRECT STAFFORD LOAN INFORMATION

<b>Maximum Annual Loan Limits</b>	<ul style="list-style-type: none"> <li>• First year students (0-30 credits) \$5,500 dependent (\$3,500 Subsidized) \$9,500 independent (\$3,500 Subsidized)</li> <li>• Second year students (31 or more credits) \$6,500 dependent (\$4,500 Subsidized) \$10,500 independent (\$4,500 Subsidized)</li> </ul>
<b>Aggregate Loan Limits</b>	<ul style="list-style-type: none"> <li>• Dependent Students \$31,000*</li> <li>• Independent Students \$57,500*</li> </ul> <p style="text-align: right; margin-top: 0;">*no more than \$23,000 may be in Subsidized Loans</p>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• 6.8 % (fixed) for Subsidized Loans</li> <li>• 6.8% (fixed) for Unsubsidized Loans</li> </ul>
<b>Loan Fees</b>	<ul style="list-style-type: none"> <li>• 1.0%</li> </ul>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>• Repayment begins 6 months after the borrower graduates, drops below half-time (6 credits a semester) or leaves school</li> <li>• 10 to 25 years to re-pay depending on which repayment plan you choose</li> <li>• No penalty for pre-payment</li> </ul>

## BORROWER RIGHTS AND RESPONSIBILITIES

You have the right to:

- a 6-month grace period when you have ceased to be enrolled at least half time. Your first payment is due within 45 days after your grace period ends.
- receive appropriate deferments or forbearance if you qualify and request them.
- change your repayment plan at any time.
- prepay all or any part of the amount owed without a penalty.
- decline all or part of the loan money before it is disbursed by notifying your school (as explained on the Promissory Note).
- receive a copy of your Promissory Note by downloading the form from <https://studentloans.gov>.
- receive documentation that your loans are paid in full.

You are responsible for:

- notifying QCC and the Direct Loan Servicing Center if you:
  - withdraw, graduate or fail to enroll in school.
  - register for or drop to a less than half-time status.
  - transfer to another school.
  - change your name, address, telephone number, email address or Social Security Number.
  - change your expected date of graduation.
- making monthly payments on your loan after you leave school, unless you have a deferment or forbearance.
- notifying your servicer of anything that might alter your eligibility for an existing deferment.
- completing exit counseling upon withdrawing, decreasing your enrollment to less than six credits, or if you choose to not enroll in a subsequent semester at QCC. Go to <https://studentloans.gov>.

Title IV Stafford Loan information will be submitted to the National Student Loan Data System (NSLDS) and will be accessible by servicers, schools and borrowers. You may access this information by going to [www.nsls.ed.gov](http://www.nsls.ed.gov).

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