

Financial Aid Office Quinsigamond Community College

2026-2027 WILLIAM D. FORD FEDERAL DIRECT LOAN GUIDE

Students awarded a Federal Direct 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) until repayment begins.

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 money in the long run if you pay the interest as it accrues on your loan while you are in school.

Federal Direct Loans are subject to an origination fee. The fee is currently 1.057% of the loan amount. As a Federal Direct Loan Borrower, you will be borrowing your loan funds directly from the federal government. When Common Origination and Disbursement (COD) 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.

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 QCC student email account indicating your request to decline or reduce and be sure to include exact amounts and semesters.

To view your current student loan debt, learn about loan repayment choices, and calculate your Federal Loan monthly payment, go to: <https://studentaid.gov/h/manage-loans>.

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. Your loan eligibility will be recalculated at the time of each disbursement. Changes to your enrollment, including dropping, failing to attend, walking away or withdrawing from courses, may impact the amount of your loan.

Requirements to Receive Your Loan(s): Entrance Counseling & Loan Agreement (MPN)

1. All first-time borrowers at QCC must complete Loan Entrance Counseling. The Loan Entrance Counseling provides you with important information regarding your rights and responsibilities as a Direct Loan borrower. You can fulfill this requirement at www.studentaid.gov. Log in using your FSA ID. Click on Menu and go to Grants and Loans, then click on *Loan Entrance Counseling*. Please be sure to select QCC to receive the information.

2. You will be notified by the Financial Aid Office if you need to complete Master Promissory Note (MPN). In most cases, once you have submitted the 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 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 MPN online, log into www.studentaid.gov using your FSA ID. Click on Menu, go to Grants and Loans, then click on *Master Promissory Note (MPN)*.

Disbursement

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 via your QCC student email when your refund check is available. Dates when refund checks will begin to be available are also listed on The Q – Financial Services page.

FEDERAL DIRECT LOAN INFORMATION

Maximum Annual Loan Limits	- First year students (0-30 credits) \$5,500 dependent (\$3,500 Subsidized) \$9,500 independent (\$3,500 Subsidized) - Second year students (31 or more credits) \$6,500 dependent (\$4,500 Subsidized) \$10,500 independent (\$4,500 Subsidized) Students who are not enrolled full-time during the academic year will have their maximum annual loan eligibility reduced based on their enrollment.
Aggregate Loan Limits	- Dependent Students \$31,000* - Independent Students \$57,500* *no more than \$23,000 may be in Subsidized Loans
Lifetime Loan Limits	- Lifetime Loan Limit of \$257,500 - Regardless of any amount paid or discharged, in any combination of subsidized loans, unsubsidized loans
Interest Rate	2026-2027 interest rate is 6.52%
Loan Fees	1.057%
Repayment	- Repayment begins 6 months after the borrower graduates, drops below half-time (6 credits a semester) or leaves school 10 to 25 years repayment period depending on which repayment plan you choose - No penalty for pre-payment

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.
- choose your repayment plan.
- 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.
- receive a copy of your Promissory Note by downloading the form from www.studentaid.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 (less than six credits).
 - 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 www.studentaid.gov.

Federal Direct 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.studentaid.gov.