FEDERAL DIRECT LOANS

LOAN TYPES

**Subsidized** - Eligibility is based on the information you submitted on your Free Application for Federal Student Aid (FAFSA). Interest is paid on these loans by the federal government while you are in-school at least half-time, during the six month grace period after leaving school or dropping to less than half-time enrollment, and during authorized periods of deferment.

**Unsubsidized** - Eligibility is based on the information you submitted on your FAFSA. You are responsible for the interest that accrues on these loans while you are in-school, during grace and authorized periods of deferment. However, interest payments may be postponed and the interest will be added to your loan balance (capitalization). At repayment time, the principal balance of your loan will be increased by the amount of interest added.

**Loan limits:**

**Undergraduate Students** – The amount of your combined subsidized and unsubsidized annual loan eligibility may vary. In general:

<table>
<thead>
<tr>
<th></th>
<th>Dependent Students</th>
<th>Independent Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior/Senior</td>
<td>$7,500</td>
<td>$12,500</td>
</tr>
<tr>
<td>Cumulative Limit</td>
<td>$31,000</td>
<td>$57,500</td>
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</table>

**Graduate Students** - Graduate students may apply for an annual maximum of $20,500 combined subsidized and unsubsidized loans. The cumulative loan limit for graduate students is $138,500 including undergraduate loans.

HOW THE PROCESS WORKS

**STEP 1:** Go to [www.studentloans.gov](http://www.studentloans.gov) and do the following.

- You must complete a one time Direct Loan Entrance Counseling.
- You must complete an electronic Master Promissory Note (MPN). The MPN is good for 10 years.

Both steps must be completed before Walsh College will process your loan request.

**STEP 2:** Complete this Federal Direct Loan request form and return to the Financial Aid Office. Read your award letter and the Newsletter to determine the amount you will need to borrow based on your enrollment and resources.

**STEP 3:** Register for classes. The Financial Aid Office will not process your loan request until you are registered.

**STEP 4:** If you have met all requirements, loan disbursements are scheduled to be applied to your account two weeks after the term begins. You must be enrolled on at least a half-time basis to receive your loan. Student refund checks from excess funds (if any) are mailed within 10 days of disbursement by the Business Office.

Complete the reverse page
Your Walsh College Financial Aid Award Letter may indicate a Federal Direct Loan amount to help you meet educational expenses. Course fees were not figured into the recommended loan amount on your estimated award letter. **If you choose to borrow Federal Direct Loans, the following information is required.** You are not required to borrow the suggested amount listed on your award letter.

### A: REQUESTED LOAN AMOUNT

Name: ___________________________ Student ID# __________________________

You will automatically be considered for a SUBSIDIZED Direct Loan, if you are eligible.

If I am not eligible for a subsidized loan for the total amount I requested, I will accept an unsubsidized loan. Yes______ No ______

**Total Requested Loan Amount** __________________________

- ☐ Fall, 2010
- ☐ Winter, 2011
- ☐ Spring, 2011
- ☐ Summer, 2011

Your loan disbursement will be **EQUALLY** divided between the semesters you check in the section above. 0.05% fee will be deducted from your loan by the Federal government.

**Interest Rates:**
- **Subsidized Direct Loan** – Fixed rate is 4.5% for undergraduate students and 6.8% for graduate students.
- **Unsubsidized Direct Loan** – Current fixed rate is 6.8% for both undergraduate and graduate students.

You must be enrolled continuously at least **HALF-TIME** in an approved degree or certificate program at Walsh College (six (6) undergraduate credits or three (3) graduate credits) at the time your loan is certified and disbursed to receive a loan disbursement in EACH semester. Note: If you are an undergraduate student taking a graduate class you must be enrolled for a total of six (6) credit hours at a minimum. Classes taken as audit do not count in determining half-time status for financial aid eligibility.

Please be advised of the following important information regarding Federal Direct loans. Additional information is provided in the 2010-2011 Financial Aid Newsletter mailed with your award letter and on the Walsh website.

- You must be enrolled at least half-time in a degree program at Walsh College.
- You must be making satisfactory academic progress.
- You must attend class to receive financial aid.
- Changes in enrollment may require an adjustment to your loan(s).
- If you fail your class(s) the College may be required to return loan funds to the Direct Loan Program.
- If you withdraw from all class(s) before 60% of the term has passed the College must perform a federal refund calculation and return a portion of loan proceeds to your lender.
- Loan disbursements are received two weeks after the term begins if all requirements are met.

I understand that I am applying for a student loan which must be repaid and agree to repay the loan after ceasing to be enrolled half-time at Walsh College.

I have gone to www.studentloans.gov and,

- _____ I have completed Direct Loan Entrance Counseling
- _____ I have electronically signed a Direct Loan Master Promissory Note

**Signature:** ___________________________ **Date:** __________________________

**E-mail:** ___________________________ **Daytime Phone:** __________________________