

2008 – 2009 FEDERAL STAFFORD LOAN REQUEST FORM AND FACT SHEET

Dear Student,

Your Walsh College estimated Financial Aid Award Letter may include a Subsidized Federal Stafford and/or Unsubsidized Federal Stafford Loan. These loans are part of the Federal Family Education Loan Program (FFELP) which helps students to pay part of their educational expenses by borrowing directly from a lending institution. These loans are guaranteed by a guaranty agency and backed by the federal government.

HOW THE PROCESS WORKS

- STEP 1:** Read the Financial Aid Award Letter and the Newsletter to determine the amount you will need to borrow based on your resources. **FILL OUT THE ATTACHED STAFFORD LOAN REQUEST FORM AND RETURN THIS TO THE FINANCIAL AID OFFICE.** It is recommended that borrowing be limited to the cost of tuition, fees, and books.
- STEP 2:** If you have never received a Stafford Loan before, federal regulations require you to participate in loan Entrance Counseling before we can proceed with your loan request. An online entrance counseling session can be done at www.mappingyourfuture.org. You may contact our office if you have additional questions.
- STEP 3:** After you have registered for classes, the Financial Aid Office will certify your eligibility for the loan and forward your information electronically to the lender/servicing agency. You will receive notification from Walsh College when this process is completed.
- STEP 4:** **If you have not already completed a Federal Stafford Loan Master Promissory Note (MPN), with the lender you have chosen, the lender or their servicing agency will direct you to their website to complete and electronically sign your MPN. If you prefer to sign a paper MPN, you can request your lender send one to you. Please note: if you are changing lenders or your lender has changed servicing agencies you will be required to sign another MPN.**
- STEP 5:** Once your lender has received your completed MPN, they will disburse funds to the school on the approximate date(s) requested by the school. In order to receive your loan funds you must maintain at least HALF-TIME enrollment throughout the ENTIRE loan period. If you drop classes, fail classes, drop below half-time or withdraw from all classes, it is possible that a portion of your loan funds may be required to be returned to your lender.
- STEP 6:** If you have chosen a lender who participates in Electronic Funds Transfer (EFT) with Walsh College, your disbursement will be sent to the school electronically and applied directly to your account. Any credit balance will be issued to you. All lenders listed on our Stafford Loan Request Form participate with EFT. If you have not chosen a lender that participates in EFT, a paper check will be sent to Walsh College and you will be notified to come and endorse it before any funds can be applied to your account.

ESTIMATED MONTHLY IN-SCHOOL INTEREST PAYMENT

Students who choose to pay interest on their loans while in school can save on total interest paid and also realize lower monthly payments after they leave school.
(Formula used: Principal x Interest = 12 months)

PRINCIPAL	5.00%	5.25%	5.50%	5.75%	6.00%	6.25%	6.50%	6.75%	7.00%	7.25%	7.50%	7.75%	8.00%	8.25%
\$500	\$2.08	\$2.19	\$2.29	\$2.40	\$2.50	\$2.60	\$2.71	\$2.81	\$2.92	\$3.02	\$3.13	\$3.23	\$3.33	\$3.44
\$1,000	\$4.17	\$4.38	\$4.58	\$4.79	\$5.00	\$5.21	\$5.42	\$5.63	\$5.83	\$6.04	\$6.25	\$6.46	\$6.67	\$6.88
\$1,500	\$6.25	\$6.56	\$6.88	\$7.19	\$7.50	\$7.81	\$8.13	\$8.44	\$8.75	\$9.06	\$9.38	\$9.69	\$10.00	\$10.31
\$2,000	\$8.33	\$8.75	\$9.17	\$9.58	\$10.00	\$10.42	\$10.83	\$11.25	\$11.67	\$12.08	\$12.50	\$12.92	\$13.33	\$13.75
\$2,500	\$10.42	\$10.94	\$11.46	\$11.98	\$12.50	\$13.02	\$13.54	\$14.06	\$14.58	\$15.10	\$15.63	\$16.15	\$16.67	\$17.19
\$3,000	\$12.50	\$13.13	\$13.75	\$14.38	\$15.00	\$15.63	\$16.25	\$16.88	\$17.50	\$18.13	\$18.75	\$19.38	\$20.00	\$20.63
\$3,500	\$14.58	\$15.31	\$16.04	\$16.77	\$17.50	\$18.23	\$18.96	\$19.69	\$20.42	\$21.15	\$21.88	\$22.60	\$23.33	\$24.06
\$4,000	\$16.67	\$17.50	\$18.33	\$19.17	\$20.00	\$20.83	\$21.67	\$22.50	\$23.33	\$24.17	\$25.00	\$25.83	\$26.67	\$27.50
\$4,500	\$18.75	\$19.69	\$20.63	\$21.56	\$22.50	\$23.44	\$24.38	\$25.31	\$26.25	\$27.19	\$28.13	\$29.06	\$30.00	\$30.94
\$5,000	\$20.83	\$21.88	\$22.92	\$23.96	\$25.00	\$26.04	\$27.08	\$28.13	\$29.17	\$30.21	\$31.25	\$32.29	\$33.33	\$34.38
\$5,500	\$22.92	\$24.07	\$25.21	\$26.36	\$27.50	\$28.65	\$29.79	\$30.94	\$32.08	\$33.23	\$34.38	\$35.52	\$36.57	\$37.81
\$6,000	\$25.00	\$26.25	\$27.50	\$28.75	\$30.00	\$31.25	\$32.50	\$33.75	\$35.00	\$36.25	\$37.50	\$38.75	\$40.00	\$41.25
\$6,500	\$27.08	\$28.44	\$29.79	\$31.15	\$32.50	\$33.85	\$35.21	\$36.56	\$37.92	\$39.27	\$40.63	\$41.98	\$43.33	\$44.69
\$7,000	\$29.17	\$30.63	\$32.08	\$33.54	\$35.00	\$36.46	\$37.92	\$39.38	\$40.83	\$42.29	\$43.75	\$45.21	\$46.67	\$48.13
\$7,500	\$31.25	\$32.81	\$34.38	\$33.94	\$37.50	\$39.06	\$40.63	\$42.19	\$43.75	\$45.31	\$46.88	\$48.44	\$50.00	\$51.56
\$8,000	\$33.33	\$35.00	\$36.67	\$38.33	\$40.00	\$41.67	\$43.33	\$45.00	\$46.67	\$48.33	\$50.00	\$51.67	\$53.35	\$55.00
\$8,500	\$35.42	\$37.19	\$38.96	\$40.73	\$42.50	\$44.27	\$46.04	\$47.81	\$49.58	\$51.25	\$53.13	\$54.90	\$56.67	\$58.44
\$9,000	\$37.50	\$39.38	\$41.25	\$43.13	\$45.00	\$46.88	\$48.75	\$50.63	\$52.50	\$54.38	\$56.25	\$58.13	\$60.00	\$61.88
\$9,500	\$39.59	\$41.57	\$43.54	\$45.52	\$47.50	\$49.48	\$51.46	\$53.44	\$55.42	\$57.40	\$59.38	\$61.35	\$63.33	\$65.31
\$10,000	\$41.67	\$43.75	\$45.83	\$47.92	\$50.00	\$52.08	\$54.17	\$56.25	\$58.33	\$60.42	\$62.50	\$64.58	\$66.67	\$68.75

NOTE: Most lenders/servicers mail statements on a quarterly basis, but the interest may be paid monthly with arrangements made through lender/servicer.

FEDERAL STAFFORD LOAN REPAYMENT CHART - 10-Year Loan Term

This chart is intended only for comparison purpose since the examples may not represent actual credit terms. The Loan Balance Upon Entering Repayment should be the sum of all Federal Stafford Loans (subsidized and unsubsidized) including any unpaid interest and accumulated during in-school, grace, deferment and forbearance periods. A minimum monthly payment of \$50 is required. Borrowers paying the minimum \$50 payment may amortize their loans in full in less than 10 years. If you have a variable interest rate loan, an increase in the interest rate would result in increased payment amounts, increased number of payments, or both.

Loan Balance Upon Entering Repayment	Current Fixed Interest Rate of 6.0% ¹	
	Monthly Payment	Total Interest at Repayment
\$5,500	\$61	\$1,827
\$7,500	\$83	\$2,492
\$10,000	\$111	\$3,322
\$15,000	\$167	\$4,983
\$18,500	\$205	\$6,147
\$22,625	\$251	\$7,517
\$25,000	\$277	\$8,306
\$30,000	\$333	\$9,967
\$35,000	\$389	\$11,628

¹Interest rate for Subsidized Stafford Loans first disbursed on or after 7/1/08.

FEDERAL STAFFORD 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.

MAXIMUM STAFFORD LOAN ELIGIBILITY FOR ACADEMIC YEAR

Undergraduate Students – The amount of your combined subsidized and unsubsidized annual loan eligibility may vary depending on your degree completion date, enrollment and other criteria

	Dependent Students	Independent Students
Junior/Senior	\$ 7,500	\$12,500
Cumulative Limit	\$31,000	\$57,500

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.

INTEREST RATES

Subsidized Stafford Loan – Effective July 1, 2008, fixed rate of 6.0% for undergraduate degree students and 6.8% for graduate degree students.

Unsubsidized Stafford Loan – Current fixed rate of 6.8% for both undergraduate and graduate degree students.

FEEES

Most lenders will charge 1% in origination fees. Fees are deducted from your loan funds by your lender prior to each disbursement. The origination fee is charged by the federal government to partially offset the administrative costs of the Federal Family Education Loan Program. There may also be a 1.0% default fee charged.

REPAYMENT

Subsidized and Unsubsidized Stafford – Repayment begins following a six-month grace period after you graduate, leave school or drop to below half-time attendance. Minimum monthly payment is \$50, dependent on the total amount borrowed. See repayment chart on the inside of this folder.

LOAN CONSOLIDATION

A Federal Consolidation Loan offers borrowers the opportunity to combine multiple federal educational loans into one loan. Private loans cannot be included in a federal consolidation loan. In general to qualify for federal loan consolidation, you must no longer be enrolled in school at least half-time, be in your grace period or have entered repayment on each loan you wish to consolidate and you may only apply for one consolidation loan. You may choose which lender you want to use for a consolidation loan.

You should carefully consider the pros and cons before taking a consolidation loan. Currently, advantages include the convenience of a single monthly payment, a fixed interest rate for the life of loan, lower monthly payments and repayment flexibility. Disadvantages could include a loss of borrower benefits offered under your existing loans, increased interest cost for a longer repayment period and a higher rate of interest. The interest rate calculation for a consolidation loan is based on the weighted average of the interest rates of all the loans you consolidate rounded up to the nearest 1/8%.

There are consolidation calculators available on most lenders websites to help you determine the costs and benefits of a consolidation loan.

Walsh College

2008 - 2009 STAFFORD LOAN REQUEST

Your Walsh College Financial Aid Award Letter may indicate a Federal Stafford 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 Stafford 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 Stafford 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: \$ _____

Your loan disbursement will be divided EQUALLY between the semesters you check in the section below.

E-mail Address: _____ Daytime Phone No.: _____

0.0% - 1% in origination fees and 1% default fee may be deducted from your loan amount by your lender.

B: REQUESTED LOAN PERIOD

You must be enrolled 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.

Fall '08 11-week Winter '09 11-week Spring '09 11-week Summer '09 11-week

C: LENDERS

Many lenders participate in the Federal Stafford Loan Program. These lenders were selected based on experience, reputation, customer service, past borrower choice, and loan delivery service. The lenders listed below have made efficient quality service available to Walsh College students. These lenders may offer borrower benefits. Additional information about specific borrower benefits can be obtained directly from the lender. Benefits may be subject to change at any time. It is recommended that you borrow loans through the same lender. You may choose to borrow from any FFEL lender. If choosing another lender not listed below, you must provide complete information requested.

Lender	Lender Code	Phone Number	Website for Promissory Note
<input type="radio"/> Access Group	808851	(800) 282-1550	www.accessgroup.org
<input type="radio"/> Bank of America (c/o Great Lakes)	802176	(800) 366-0032	www.mygreatlakes.org
<input type="radio"/> Chase (Servicer) (c/o Chase)	803000	(800) 487-4404	www.chase.net
<input type="radio"/> Citibank	826878	(800) 967-2400	studentloan.com/schools/walshcollege
<input type="radio"/> Fifth Third Bank	808780	(888) 272-5543	www.salliemae.com
<input type="radio"/> National City Bank	826947	(888) 272-5543	www.opennet.salliemae.com
<input type="radio"/> Nelnet Academic Loan	824573	(877) 804-3603	www.nelnet.net
<input type="radio"/> Sallie Mae Education Trust	802218	(888) 272-5543	www.salliemae.com

Other Lender: _____ Lender Code: _____ Guaranty Agency: _____

(If you wish to use another lender, all of the above information is REQUIRED. Please contact your lender for more information.)

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.

Signature: _____ Date: _____