

2016-2017 Federal Direct Stafford Loan Instructions



Loan applications may be completed after your financial aid has been awarded and you are registered for a minimum of 6 credit hours for the applicable semester. When applying for a student loan you need to understand that this is a **loan that must be repaid to the federal government.**

ELIGIBILITY:

Students must be enrolled in an eligible program and be registered for at least 6 eligible credit hours that lead to a certificate or degree to borrow a Federal Direct Stafford Loan for any semester of attendance.

LOAN FORMS SUBMISSION CHECKLIST:

The following forms must be **completed** and **submitted** together before loans may be certified by the Financial Assistance Office:

1. Loan Entrance Counseling Confirmation (Required for All Direct Stafford Loan borrowers).
2. Master Promissory Note - MPN (First time ICC Direct Stafford Loan borrowers).
3. Federal Financial Aid History (Required for all Direct Stafford Loan Borrowers)
4. ICC Federal Direct Stafford Loan Acceptance Form (Required for all Direct Stafford Loan borrowers).
5. Complete the Student Loan Reference Sheet (Required for all ICC Direct Stafford Loan borrowers).

1. LOAN ENTRANCE COUNSELING CONFIRMATION: Print and Submit

All Students must complete Loan Entrance Counseling online at the Department of Education's Direct Loan web site at www.StudentLoans.gov . Log in by selecting the green Log In button. Complete the Entrance Counseling session and print the confirmation page when complete. (Required for all loan borrowers)

2. MASTER PROMISSORY NOTE (MPN): Print and Submit

The loan promissory note is completed on the same web site as above, www.StudentLoans.gov. This is your **promise to repay** the student loan and it is a legally binding document. Log in to complete the Subsidized/Unsubsidized MPN. Print a copy of page one of your completed promissory note. If you have questions with this process, please contact **Student Loan Support Center at 800-557-7394**. (Required for **first time** ICC loan borrowers only).

3. FEDERAL FINANCIAL AID HISTORY: Print and Submit

On the www.NSLDS.ed.gov website, select "My Financial Aid Review". Click on "Financial Aid Review" and complete the log in. Print and submit the page(s) of your loan history. If you do not have any history, print the page that indicates this.

4. ICC FEDERAL DIRECT STAFFORD LOAN ACCEPTANCE FORM:

Complete the form and submit with your other loan paperwork (Required for all loan borrowers).

5. STUDENT LOAN REFERENCE SHEET:

Complete the form and submit with your other loan paperwork (Required for all loan borrowers).

LOAN PROCESSING:

Loans will be certified for the amount requested or for the amount you are eligible (if less than requested). If you are enrolled less than full-time, your cost of attendance is adjusted to reflect your actual credit hours enrolled and your loan eligibility may be reduced. **Any change in enrollment status after your loan is certified by the College may require further recalculation and revision of your original loan amount.** You will receive correspondence from the Direct Loan Origination Center that indicates the certified amount of your loan. If you submit a loan application prior to the tuition due date you will be held in classes. If you decide **not to attend ICC**, you must **officially withdraw** from your classes prior to the refund date(s) for your classes or you will be responsible for payment of your tuition. The refund dates for your classes are listed on your class schedule in eServices.

DISBURSEMENT OF FUNDS:

- Federal Loan Regulations prohibit the disbursement of loan funds for first-time borrowers until 30 days following the start of the semester.
- Loans are disbursed in two payments during the loan period. A Fall/Spring loan will have one disbursement during each semester – one in the Fall and one in the Spring. A one semester loan (Fall, Spring or Summer only) will have two disbursements during the semester; the second occurring after midterm of the semester.
- Loan funds are received by ICC from the federal government and are credited directly to the student account. Charges owed to the College will be paid first and any excess funds will be refunded to the student.
- Loan refunds are issued no later than two weeks after funds are credited to the student account.
- Students have 14 days to contact the financial aid office after their loan is disbursed to their student account to request cancellation or reduction of their loan amount.

The interest rate on Federal Direct Stafford Loans:

Federal student loan interest rates are tied to financial markets. Interest rates will be determined each June for new loans being made for the upcoming award year, which runs from July 1, to the following June 30th. Each loan will have a fixed **interest rate** for the life of the loan.

Loan Fees: Current loan fees for loans disbursed prior to October 1, 2016 totals 1.068 percent of the total loan amount. New loan fees will be established for loans disbursed after October 1, 2016.

Annual Loan Limits:

Dependent Students	Base Amount	Additional unsubsidized loan amount
Freshman	\$3,500	\$2,000
Sophomore	\$4,500	\$2,000

Independent Students	Base Amount	Additional unsubsidized loan amount
Freshman	\$3,500	\$6,000
Sophomore	\$4,500	\$6,000

These amounts are the annual maximums set by Federal regulations. Students attending Illinois Central College may not qualify for the total amounts if they are receiving grants, scholarships, work-study, waivers or other educational assistance and/or attending less than full-time.

Aggregate (lifetime) Loan Limits:

Undergraduate Dependent Students: \$31,000 (no more than \$23,000 of which can be subsidized)
Undergraduate Independent Students: \$57,500 (no more than \$23,000 of which can be subsidized)

Time Limitation on Direct Subsidized Loan Eligibility for First-Time borrowers on or after July 1, 2013

There is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. In general, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program. This means your maximum eligibility period can change if you change programs.

SITUATIONS THAT MAY DELAY OR CANCEL YOUR LOAN:

- **ENROLLMENT IN 12 WEEK and SECOND EIGHT-WEEK COURSES** may delay your loan until after these classes start.
- **A DECREASE IN YOUR CREDIT HOURS ENROLLED** after your loan is certified may require a recalculation of your loan eligibility.
- **DROPPING BELOW SIX (6) CREDIT HOURS** will result in cancellation of undisbursed loan funds.

WITHDRAWING FROM CLASSES (returning money to the federal government):

If a recipient of financial aid withdraws during a period of enrollment, the college must calculate the amount of aid the student **earned** up through the date of last attendance. Unearned aid (including loans) must be returned to the federal financial aid programs (Title IV programs).

Federal financial aid (Title IV programs) include Pell grant, SEOG, Federal Stafford Direct Loan and PLUS loan programs. When a student withdraws before completing 60% of the semester, a calculation of return of funds will be performed to determine the amount to be returned. This is called **Return to Title IV**. When it is necessary to return loan funds, ICC is required to return the money to the federal government that was disbursed to the student and the student will then be required to reimburse ICC for the returned amount.

LOAN EXIT COUNSELING:

Student loan borrowers are **required** to complete Student Loan Exit Counseling at the completion of enrollment (graduation or withdrawing). This is done online at www.StudentLoans.gov. Student loans enter repayment six months after a student drops below 6 credit hours of enrollment.



2016-2017 FEDERAL DIRECT STAFFORD LOAN ACCEPTANCE FORM

Name: _____ Student ID#: _____

Phone #: _____ Date of Birth: _____

Address: _____ City: _____ State: _____ Zip: _____

ICC Student Email address: _____

Home email address: _____
(Required for Loan Exit Counseling)

Anticipated Graduation Date from Illinois Central College: ____/____ (month/year)

Loan Amount Requested: \$_____ *

*Your Subsidized Stafford Loan amount (if any) will be certified prior to any Unsubsidized loan amount. We will certify an Unsubsidized loan if you are not eligible for a subsidized loan or your requested loan amount exceeds your subsidized loan eligibility. (Subsidized = the federal government pays the interest accrued; Unsubsidized = *you* are responsible for paying the interest accrued)

Please indicate the semesters to be included in your loan period. All loans are disbursed in two payments during a loan period, including one semester loans. This is required by Federal Regulation.

Loan Period: **Check only ONE loan period.**

Fall/Spring Semesters Fall Semester Only Spring Semester Only Summer Semester Only

I understand that I have 14 days to contact the financial aid office after my loan is disbursed to cancel or reduce my loan amount.

If you have a Federal Work-Study (**FWS**) award, please check **one**: (applying for a loan may require cancellation of your FWS award)

- **Cancel** my FWS award and certify my loan for the remainder of my aid eligibility up to the amount requested. (X)_____ (If you are currently working in a FWS job please notify the Financial Assistance Office.)
- **Do not cancel** my FWS award. Certify my loan for amount I am eligible with my FWS award. (X)_____.

I authorize Illinois Central College to process my Federal Direct Loan request. I understand that this loan constitutes a debt that will enter repayment upon the expiration of my grace period, six months after I graduate, withdraw, or otherwise drop below half-time enrollment (6 credit hours).

Borrower's Signature: _____ Date: _____



Student Loan Reference Sheet

Please provide contact information for people that are most familiar with you and will be most likely to remain in contact with you in the future.

Name: _____

Address: _____ City: _____ State: ____ Zip: _____

Home Phone: _____ Cell Phone: _____

Email: _____ Relationship: _____

Name: _____

Address: _____ City: _____ State: ____ Zip: _____

Home Phone: _____ Cell Phone: _____

Email: _____ Relationship: _____

Please provide employer's contact information:

Employer Name: _____

Address: _____ City: _____ State: ____ Zip: _____

Phone: _____

Supervisor's Name: _____