

Federal Direct Loans 2010/11



New as of July 1, 2010, all federal Stafford student loans will be through the U.S. Department of Education's (USDE) Federal Direct Loan (FDL) program. This means that if you borrow money toward educational expenses, you will make repayment to a federal government servicer instead of a private lender. For Federal Direct Loan information, visit www.studentloans.gov.

Who is Eligible to Apply for a FDL?

Once you have been issued an Award Letter or an Eligibility Notification from RCC, you may complete the FDL application process. At least half-time, aid-eligible enrollment is required. Check your financial aid status at <http://www.roguecc.edu/financialaid/>. Per-term loan application deadlines are as follows:

| Loan Application Deadlines: | | | |
|-----------------------------|------------------|------------|------------------|
| '10 Summer | Wed., 08/25/10 | '11 Winter | Thurs., 03/10/11 |
| '10 Fall | Thurs., 12/02/10 | '11 Spring | Thurs., 06/02/11 |

How do You Apply?

From www.roguecc.edu/FinancialAid/, select "Applying for a Loan." After introductory information, you'll log-in and if eligible to apply, will be linked to the federal StudentLoans.gov site. Use your SSN, DOB and federal PIN to "Sign In" and then complete two steps (attending a one-hour in-person loan entrance counseling session, may also be required of some at-risk borrowers):

- 1) Annual Loan Entrance Counseling
 - a. Select "Complete Entrance Counseling."
 - b. Participate in an interactive, 16-part session that includes a short quiz after each section.
 - c. Review your "Borrower Rights and Responsibilities."
 - d. Select "Submit."
 - e. Print your confirmation.

When you get a "Congratulations!" message, select "You can submit a Master Promissory Note." This will take you to a screen where you'll select the type of loan you would like to receive; "Subsidized/Unsubsidized." (RCC does not participate in the Graduate PLUS, Parent PLUS, or Perkins loan programs.) If you do not see this option, go to www.studentloans.gov and select "My Profile" (or "Sign In", if you are logged out) and "Complete a Master Promissory Note."

- 2) Master Promissory Note (MPN)
 - a. Complete all Personal Information.
 - b. Complete all School and Loan Information.
 - c. Complete all Reference 1 and 2 Information. (Have unique contact information ready.)
 - d. Review the Terms and Conditions section thoroughly.
 - e. Check that you have done so and that the information is correct.
 - f. Confirm the information and edit if needed.
 - g. Electronically sign by entering your name and clicking on "Sign."
 - h. After your signature is authenticated, review the HTML version of your MPN before submitting.
 - i. You can view and print a PDF version of your MPN.

How Much Can You Borrow?

That depends. There are two types of Federal Direct Loans, Subsidized and Unsubsidized. Eligibility is based on loan period (see application deadlines above), dependency status, class standing in your academic program, budgetary need (cost of attendance, including an allowance for tuition/fees based on an 11-credit per term average) and annual/aggregate maximums, as follows:

| Annual Maximum* | Dependent | Independent |
|--|---|---|
| Freshman | \$ 3,500 Base Sub/Unsub +\$ 2,000 Unsub =\$ 5,500 Total | \$ 3,500 Base Sub/Unsub +\$ 6,000 Unsub =\$ 9,500 Total |
| Sophomore (36+ credits toward a 2-Yr program) | \$ 4,500 Base Sub/Unsub +\$ 2,000 Unsub =\$ 6,500 Total | \$ 4,500 Base Sub/Unsub +\$ 6,000 Unsub =\$10,500 Total |
| *May be limited by budgetary need and/or aggregate maximums (\$23,000 Base Sub/Unsub and \$31,000/\$57,500 Total for Dep./Indep.). | | |

RCC will certify maximum eligibility after we receive notification that you successfully completed loan entrance counseling. Subsidized eligibility is always calculated for you prior to Unsubsidized, as it is the least expensive loan option available (you are not responsible for interest until you actively enter repayment). Your loan period is generally the current/next term for which you met the loan application deadline, through the end of the academic year. Exceptions may be considered on an individual basis per a written request (retroactive eligibility may only be considered for consecutive terms where satisfactory academic progress was earned). An updated Award Letter will be issued reflecting loan awards by type and term. The net amount will be divided into term disbursements and applied to your student account. To request a partial or full cancellation, submit a written request to Rogue Central within 14 days of when the funding is applied to your student account.

When Will You Receive the Money?

That depends. RCC can only disburse funds to your student account after we are notified by USDE that your accepted MPN is on file. You may check your MPN status at www.roguecc.edu/FinancialAid/status.asp, www.studentloans.gov, or by calling (800) 557-7394. Your net loan disbursement (term award, less a 1% origination fee, plus a .5% rebate) will be divided over the number of terms of your loan period (or by two for a single-term loan) and applied to your student account as early as (see below, as applicable):

| Estimated Term Disbursement Dates (Earliest date net term funds may be applied to your student account.) | | | |
|--|------------------------------|---------------------------------|---|
| Term | First-Time Borrowers* | Non-First-Time Borrowers | 2nd Disbursement (Single Term Loans) |
| '10 Summer | 08/11/2010 | on/after 07/06/10** | on/after 08/09/10 |
| '10 Fall | 10/27/2010 | on/after 09/20/10** | on/after 11/03/10 |
| '11 Winter | 02/02/2011 | on/after 12/13/10** | on/after 02/09/11 |
| '11 Spring | 04/27/2011 | on/after 03/21/11** | on/after 05/04/11 |
| *Freshman with no documented student loan history. **Or 2-5 business days after Award Letter (whichever is later). | | | |

Note to First-Time Borrowers: Before your first disbursement can be released, you must document your academic progress during the fourth week of the term by submitting a completed Progress Report (sent to you at the end of the third week). If you are not earning a Pass or C or better in each course, aid will be adjusted/cancelled accordingly.

Funding will first be applied toward any tuition/fee or authorized non-institutional charges that may have accumulated on your student account. RCC will honor add/drop activity through Thursday at 5pm of the second week. Any excess balance will be refunded to your Higher One account starting the second Friday of a term and twice weekly thereafter.

Alert to Prior Borrowers:

To maintain borrower benefits, know the status of your student loan(s). If you took out a Federal Stafford Loan during the 2007/08-2009/10 academic years, it has been sold to the USDE and assigned to one of four national servicers (AES/PHEAA, Great Lakes Education Loan Services, Inc., Nelnet and Sallie Mae Corporation). Loans taken out prior to 07/01/2007 may be sold at lender discretion. RCC recommends that you:

1. Watch for and carefully review all student loan mail, keeping a folder of important documentation.
2. Keep your contact information updated with your loan holder/servicer.
3. Monitor your debt and look up loan holder/servicer contact information at www.nsls.ed.gov.

Borrower Rights and Responsibilities Highlights:

1. Only borrow as a last resort to meet real, educational needs. Debt can add up fast.
2. RCC requires loan entrance and exit counseling each academic year that you borrow. You will be notified when it is time to complete online loan exit counseling. Pay attention to save money, effectively manage your debt and navigate repayment.
3. Consider not only your current need, but also your realistic career goals, how much you expect to earn and estimated debt load and repayment burden before you borrow. Debt can add up fast. The following information is a useful guide to undergraduate (through a Bachelors degree) borrowing:

| Aggregate Undergraduate Loan Debt | Monthly Payment Amount* | Total Interest To-Be Paid* | Annual Salary Needed to Afford Repayment (8% cap) |
|--|--------------------------------|-----------------------------------|--|
| \$5,500 | \$63 | \$2,095 | \$9,500 |
| \$9,500 | \$109 | \$3,620 | \$15,000 |
| \$20,000 | \$230 | \$7,619 | \$35,000 |
| \$31,000 | \$357 | \$11,810 | \$54,000 |
| \$40,000 | \$460 | \$15,239 | \$70,000 |
| \$57,500 | \$662 | \$21,905 | \$100,000 |
| *Estimates are based on a 6.8% interest rate over a standard 10-year repayment plan. | | | |