

MPN (Master Promissory Note) - The signature document that legally obligates you to repay the loan, per the terms and conditions specified. If your lender has your active MPN on file, a new MPN may not be required.

#### **What Happens Next?**

RCC's Financial Aid Office will be notified when you complete online loan entrance counseling and when your lender receives a completed MPN. We will certify your loan and send you an updated Award Letter or notification of non-eligibility. You may be required to attend in-person loan counseling for circumstances such as if we find that you have excessive student loan debt (\$30,000+) or a cumulative credit completion rate of less than 68%. In these cases, you will be notified in writing.

#### **How do I Meet Eligibility?**

Enroll in and attend classes that progress you toward program completion. Loans are applied to your student account only when your award level matches your aid-eligible enrollment level. Before changing your enrollment, contact Rogue Central Services for Students to learn how it may affect your financial aid.

#### **When Will I Get My Money?**

It depends. This is usually how it works:

- Your lender sends your disbursement to RCC.
- RCC confirms your eligibility then applies funds to your student account.
- If your loan money is more than your tuition, institutional fees and authorized non-institutional charges (ex. bookstore), RCC will mail you a refund check for the remaining balance. Refund checks are issued twice weekly, starting the 14<sup>th</sup> day of the term and not during the week following a term.
- RCC generally requests that lenders release your loan funds several days before a term starts or as soon as the loan is processed.
- For one-term only loans, at least one disbursement must be after the mid-point in the term.
- If you are a First-time Borrower (freshman without student loan history), your first disbursement is scheduled at least 30 days into the first term of your loan period. And, prior to release of those funds, you must submit a completed Progress Report (mailed the end of the third week). If the progress report does not

show satisfactory academic progress in each class, aid will be adjusted or cancelled.

#### **How Much Will I Receive?**

The amount you receive is the amount borrowed divided by the number of scheduled disbursement in your loan period (generally the number of terms; two for a one-term only loan), minus fees (generally 1.5%).

#### **How Can I Reduce or Cancel My Loan?**

If, prior to disbursement, you realize you do not need the full amount borrowed, notify Rogue Central. Or, after a refund check is issued, you have up to 14 days to simply fill out the "EFT Cancellation Request" enclosed with your refund check and submit it along with your uncashed refund check to Rogue Central. RCC can assist you in returning all or partial fund, thus refunding your fees and reducing your debt amount. While one of your borrower rights is to pre-pay without penalty, doing so directly to your lender while a student will make you responsible for fees and RCC will consider the loan disbursed (cannot be re-issued to you later).

#### **When Do I Complete Loan Exit Counseling?**

One of your borrower responsibilities is to participate in loan exit counseling in order to understand your repayment benefits and responsibilities. RCC requires loan exit counseling each year just prior to the earlier of the following:

- a) you drop below half-time enrollment,
- b) the school year ends,
- c) you complete your program, or
- d) upon request

RCC mails loan exit counseling reminders. Online exit counseling is always available. In-person sessions are offered at least annually. If you have questions about the terms and conditions of your loan, contact your lender.

#### **Other Helpful Points:**

\*Any time there is a break in eligible enrollment, RCC will not certify/will cancel future disbursements.

\*RCC calculates and certifies maximum eligibility upon annual application. If your enrollment or need levels change after certification, the College will adjust disbursement, as necessary, but will generally only actively re-certify additional eligibility after a break in eligible enrollment or per your specific request (ex. documentation of 2<sup>nd</sup>-Yr./Sophomore class standing).

\*Loan certification is generally for a loan period which includes your most immediate eligible term through the last term in the award year where you anticipate consecutive enrollment of at least half-time.



# Federal Stafford Loan (FSL)

## Student Loan Program

Academic Year  
2009-10

Office of Financial Aid

### What is a Federal Stafford Loan (FSL)?

A FSL is a financial aid loan that you must repay. The repayment includes the cost of fees (generally 1.5%) and interest charges. RCC determines whether you are eligible for a loan and then sends a certification to your lender. The certification includes the amount you are eligible to borrow and the dates that RCC has asked your lender to disburse funds to RCC. Loan repayment begins after a 6-month grace period that starts after you complete your program or drop below half-time. Repayment terms and conditions are outlined on your Master Promissory Note (MPN). The terms include options such as deferment, forbearance and flexible repayment plans. Funds must be used to pay for the cost of living and going to school during the period that you have the loan. Student loans come in two forms and are applied in this order:

Subsidized Loans (Sub) -This loan is awarded on the basis of financial need. Interest (5.6% fixed) is paid by the federal government before you begin repayment and during grace and deferment periods.

Unsubsidized Loans (Unsub) – Not based on need, this loan can be awarded up to your cost of attendance.. You will be charged interest (6.8%) from the time the loan is disbursed until it is paid in full. Interest will accumulate while in school or during other periods of nonpayment. We recommend making quarterly interest payments.

### When Can I Apply for a 2009-10 FSL?

Apply as soon as approximately one month prior to the first term that you take out a loan. You are eligible to apply for a loan for the current term through the end of the school year after the Free Application for Federal Student Aid (FAFSA) that you submit to the feds is processed, you complete your financial aid file at RCC, RCC sends you an Award Letter or Eligibility Notification and before the per-term application deadline:

'09 Summer	08/13/09	'09 Fall	11/25/09
'10 Winter	03/05/10	'10 Spring	05/28/10

### Who is Eligible for a FSL?

Most students are eligible to take out a FSL if they are:

- Admitted and enrolled at RCC at least a half-time (6 cr) for each consecutive term of your loan period
- A U.S. citizen or eligible non-citizen
- Enrolled in a certificate or degree program

- Meet Satisfactory Academic Progress requirements
- Not in default on a student loan or owe a repayment of federal aid

### How Much Can I Borrow?

That depends on your documented financial need, aid-eligible enrollment level, dependency status and grade level. RCC's Financial Aid Office calculates the maximum amount you are eligible for and certifies that, or your requested amount, whichever is less. We will notify you with an Award Letter or letter of non-eligibility. The minimum amount of a loan is generally \$200, depending on your lender.

FSL Maximums	Dependent	Independent
<b>Freshmen</b>		
Base Eligibility (Subsidized & Unsubsidized)	\$3,500	\$3,500
Additional Unsubsidized	\$2,000	\$6,000
<b>Freshmen Totals</b>	\$5,500	\$9,500
<b>Sophomore</b> undergraduates may borrow up to \$1,000 more in base eligibility annually.		

If you are in a two-year program, RCC will attempt to determine Sophomore standing by an unofficial Degree Audit. If we cannot, let us know when you believe you've reached Sophomore standing. Once confirmed, we will adjust any future disbursements.

### How Do I Apply? Two Basic Steps:

RCC provides an online student loan application process found at [www.roguecc.edu/Financial Aid](http://www.roguecc.edu/Financial Aid), Applying for a Loan. You'll be given important consumer information and then will complete a two-step application process. If you need assistance, contact Rogue Central Services for Students.

- 1. Complete loan entrance counseling.** RCC will link you to 'Mapping Your Future' to learn about the FSL program and your borrower rights and responsibilities.
- 2. Select a lender from EdFUND's (loan guarantor) Loan Portal and then ensure that your lender has an active Master Promissory Note (MPN) on file.** Electronic signature and submission of your MPN is recommended. In some cases, you may be required to print, sign and submit a hard-copy MPN to your lender (allow additional processing time).

### Important Information About Choosing a Lender:

The loan industry is changing. Some lenders are no longer offering FSLs and others have selected not to work with schools like RCC (new client, small loan volume, low profitability, higher default rate). If you have prior loans with Citibank or US Bank, you will have to select a new lender. RCC no longer provides a Preferred Lender List. However, we do have a Lender List, representing those lenders who have agreed to serve RCC students in 09/10 through guarantor processing and electronic disbursement. Lender choice is your option. This means that in addition to selecting a lender from RCC's lender list, you can select any other lender as well. If your lender is willing to process your application, RCC will work with them, but doing so may require a manual process, so allow additional processing time. When possible, consider borrowing from the same lender to simplify repayment (Wells Fargo will only honor applications from continuing borrowers with an active MPN on file.) To review your educational debt history, visit [www.nsls.ed.gov](http://www.nsls.ed.gov) (federal PIN required).

### How is my Subsidized and Unsubsidized eligibility calculated ?

<u>Sub loan:</u>	COA	<u>Unsub loan:</u>	COA
	-EFC		-Fin Aid***
	-Fin Aid		<u>-Resources**</u>
	<u>-Resources*</u>		Maximum
	Maximum****		

- \* Does not include VA Chapter 30 or Americorps benefits
- \*\* Includes VA Chapter 30 and Americorps benefits
- \*\*\* Includes Sub
- \*\*\*\* In addition to annual maximums, federal regulations limit cumulative student loan debt to \$23,000 for dependent undergraduates and \$57,500 for independent (\$23,000 max Sub.).

### Definitions:

COA (Cost of Attendance) - Annual cost of living and going to school established by RCC and indicated on your Award Letter.

EFC (Expected Family Contribution) – Based on how much you earned and what you own reported on the FAFSA, the amount the federal processors estimate you or your family can contribute to your own living and educational costs during the school year. You do not owe this amount, nor will you be billed for this amount. RCC reports your EFC on your Award Letter.