



HCC

2011-2012

Federal Direct Loan/Stafford Information & Request Form

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DON'T SIGN ANYTHING YET

You want to get off to a good start. That is why it is important to become a well-informed borrower before you take on the responsibilities that come with a loan.

PURSUE ALL OTHER ALTERNATIVES FIRST

The federal government requires that you complete the FAFSA to determine eligibility for any need-based financial aid including Federal Direct loans. You should also pursue any potential scholarships and grants from your school, as well as external sources. Part-time employment is a great alternative to borrowing while at the same time acquiring valuable experience.

GET THE FACTS ABOUT EACH LOAN PROGRAM

What are the maximum loan amounts? What can the loan be used for? What fees are deducted from the loan check? When does the loan go into repayment? What is the interest rate? Does the interest accrue while I am in school? What is the cost of deferring interest payments? How much are monthly payments and how long do I have to pay? Under what conditions can the loan be deferred or cancelled? What are the consequences of default?

A loan is a legal binding obligation. Don't sign a promissory note until you know the answers to the above questions.

The answers to these questions are found in the Application and Promissory Note under the heading "Borrower's Rights and Responsibilities." If you have further questions about the terms of the loans, you may contact HCC's Financial Aid Office, the guarantee agency, or the U.S. Department of Education.

TERMS TO KNOW

- **Principal:** Amount you borrow, which may increase as a result of capitalization of interest, and the amount on which you must pay interest.
- **Interest rate:** The cost you pay to borrow money.
- **Accrued interest:** Interest that accumulates on the unpaid balance of your loan principal.
- **Subsidized loan:** A need-based loan in which interest is paid by the federal government during the in-school, grace, and deferment periods.
- **Unsubsidized loan:** A non need-based loan on which interest is not paid by the federal government. Borrowers are responsible for interest on all unsubsidized loans from the date the loan is disbursed. Interest may be capitalized.
- **Capitalization of interest:** Addition of accrued, unpaid interest to the principal of your loan.
- **Disbursement Date:** Date on which the funds are transmitted to the student account.
- **Delivery Date:** Date on which the college sends the loan funds to the student.
- **Grace period:** Specified period of time after you graduate or leave school during which you need not make payments on your loan.
- **Deferment:** A period when a borrower who meets certain criteria may suspend loan payments.
- **Default:** Failure to repay your loan on time, or in accordance with other terms of the promissory note.
- **Credit bureaus:** Organizations that track the manner in which borrowers repay credit obligations. This information becomes a part of each borrower's credit report and is available to other financial institutions.

WHAT ARE FEDERAL DIRECT LOANS?

Fall 2010 term, Hillsborough Community College began participating in the William D. Ford Federal Direct Loan Program (Direct Loans) for all Federal Stafford and Parent PLUS Loans.

By participating in the Direct Loan program, Hillsborough Community College ensures that you are guaranteed access to student loan funding because dollars are received directly from the federal government. The Direct Loan Program also provides the best borrower benefits available at this time. We believe that the Direct Loan model is easy for families to understand. Having ONE source for student loan funds reduces the confusion and complications for students, provides "one stop shopping", more timely loan disbursements, and better customer service.

If you are a borrower you will need to complete a Federal Direct Loan Master Promissory Note if you plan to borrow money for 2011-2012.

Please go to our Financial Aid Website at www.hccfl.edu/ssem/financialaid.aspx and select loans, then Master Promissory Note. This will only need to be completed ONCE while you attend Hillsborough Community College. You will need your Federal PIN number to complete your Master Promissory Note.

If you need help completing your Federal Direct Loan Master Promissory Note, you may call, email or visit any campus for assistance.

HCC'S LOAN POLICY REQUIRES STUDENTS TO:

1. Have and maintain at least a cumulative GPA of 2.0 for each loan disbursement.
2. Have a completion ratio (credits earned/credits attempted) of 67% or higher and maintain at least 67% completion ratio for subsequent loan disbursements.
3. Maintain half-time enrollment (6-8 credit hours) to remain eligible for the second loan disbursement.
4. Have not exceeded the number of credit hours of their current program of study by more than 150%.
5. Have not exceeded the annual and aggregate loan limits. These limits include outstanding loans received prior to attending HCC.
6. Financial Aid unmet need must be no less than \$200 for the academic year.

WHO IS ELIGIBLE?

- Students who are actively enrolled for a minimum of 6 credit hours per term at Hillsborough Community College.
- Citizens, permanent residents of the U.S., or permanent residents of an eligible trust territory.
- Students, not currently in default, or who do not owe a refund on any Title IV Program: Federal Pell, SEOG, ACG, SMART, FWS, Subsidized loan, Unsubsidized loan, PLUS, Perkins, or Consolidation Loan.
- Students who are maintaining satisfactory academic progress.
- Students who have satisfied all Selective Service Act requirements.
- Students who have a standard high school diploma or a GED.

WHAT IS THE DIFFERENCE BETWEEN A SUBSIDIZED AND UNSUBSIDIZED STAFFORD LOAN?

THE FEDERAL DIRECT SUBSIDIZED LOAN

This loan is based on financial need that is determined by using a federal formula. A loan is "subsidized" when the government pays the interest for students during the following periods:

- while students are enrolled in school at least half-time;
- during periods of authorized deferments;
- during the six-month grace period after the student stops attending school at least half-time.

THE FEDERAL DIRECT UNSUBSIDIZED LOAN

This loan is not based on financial need and is available to all students regardless of income. Because this loan is not subsidized by the government, the student is responsible for any interest that accrues during in-school, grace and deferment periods. The student may choose to make all interest payments while in school or may defer and accumulate (capitalize) the interest until repayment.

SOME TERMS OF THE LOAN

- **Fees:** Two types of loan fees are deducted from the gross amount of each loan check. The U.S. Department of Education charges a 1 % origination fee and a .5% insurance fee.
- **Repayment:** The repayment of principal begins automatically six months after the student drops below half-time attendance.
- **Interest Rate:** For Federal Direct Loans first disbursed on or after July 1, 2010. From July 1st, 2010 through June 30th, 2011, the interest rate on new Federal Direct Subsidized Loan is 3.4% and Federal Direct Unsubsidized is 6.8%.

LOAN COUNSELING REQUIREMENTS AT HCC

The Federal Department of Education requires students who request a Federal Direct Loan to complete Entrance and Exit Counseling. This is a requirement whether or not you completed a loan counseling session at another school. Students can access Online Entrance and Exit Counseling through Hillsborough Community College's Financial Aid website at www.hccfl.edu/ssem/financialaid/entrance-exit:counseling.aspx 7 days a week, 24 hours a day.

In order to fulfill the Online Entrance or Exit requirements, students may access the internet by utilizing computers at any campus library, learning lab, or in the convenience of their home.

ENTRANCE COUNSELING

In order to fulfill the Online Entrance or Exit requirements, students may access the internet by utilizing computers at any campus library, learning lab, or in the convenience of their home.

Students who are borrowing for the first time at HCC or reentering HCC after two years of non-attendance can fulfill this requirement by using the Online Entrance Counseling.

1. Go to www.hccfl.edu
2. Click on *Future or Current Students*
3. Click on *Financial Aid*
4. Click on *Entrance/Exit Counseling* (*located in the menu on the left hand column*)
5. Click on *Entrance Counseling*
6. You can use your U.S. Department of Education Personal Identification Number (PIN) or your Name, Social Security Number and Date of Birth.
7. Read and agree to the Terms and Conditions.

EXIT COUNSELING

Students are required to complete Loan Exit Counseling during the last semester of enrollment or when they cease to attend on at least a half-time basis, whichever comes first. Students may fulfill this requirement by using the Online Exit Counseling:

1. Go to www.hccfl.edu
2. Click on *Future or Current Students*
3. Click on *Financial Aid*
4. Click on *Entrance/Exit Counseling* (*located in the menu on the left hand column*)
5. Click on *Exit Counseling*
6. You can use your U.S. Department of Education Personal Identification Number (PIN) or your Name, Social Security Number and Date of Birth.
7. Read and agree to the Terms and Conditions.



2011-2012 ACADEMIC YEAR

Loan Request Statement

Complete and submit this form to your any Financial Aid Office to apply for a Federal Direct Loan (Subsidized and/or Unsubsidized). The Loan Request Statement (LRS) is your written permission for the Financial Aid Office to transmit all the information necessary to process your Federal Direct Loans. Please refer to the 2011-2012 Financial Aid Guide for additional information on the Federal Direct Loan Program.

PLEASE PRINT CLEARLY. YOUR APPLICATION WILL NOT BE PROCESSED UNLESS COMPLETED AND SIGNED. YOU MUST BE ENROLLED IN AT LEAST 6 CREDIT HOURS TO PROCESS YOUR LOAN(S) AND AVOID CANCELLATION.

| | | | | |
|--|----------------|--|--|--|
| 1. Student Name Last _____ First _____ MI _____ | | | 2. Student ID/Last Four of Social _____ | |
| 3. Permanent Street Address (If P.O. Box, you must provide your street address) _____ | | 4. Telephone Number _____ | | 5. Date of Birth (MM/DD/YY) _____ |
| City _____ State _____ Zip Code _____ | | 6. Driver's License Number & State of Issuance State _____ Number _____ | | |
| 7. Borrower E-mail Address (If available, please provide. This will expedite the delivery of your Federal Direct Loan Funds.) _____ | | | | |
| 8. Loan Period – Select Terms you wish your loans to cover: <input type="checkbox"/> Fall & Spring OR <input type="checkbox"/> Spring & Summer | | | | |
| 9. I request the following loan type(s), to the extent I am eligible. If you are requesting the unsubsidized loan, please check. <input checked="" type="checkbox"/> Subsidized Federal Direct Loan <input type="checkbox"/> Unsubsidized Federal Direct Loan <small>(Note: The Unsubsidized Federal Direct Loan is not based on financial need and is available to eligible students regardless of income.)</small> | | | | |
| Maximum Annual Stafford Loan Limits | | | | |
| | Cr. hr. earned | Subsidized | Unsubsidized | If ineligible for any subsidized loan, max amount you may borrow as an unsubsidized loan |
| Dependent Student | 0-30 31+ | Up to \$3,500 Up to \$4,500 | Up to \$2,000.00 Up to \$2,000.00 | Up to \$5,500 Up to \$6,500 |
| Independent Student | 0-30 31+ | Up to \$3,500 Up to \$4,500 | Up to \$6,000.00 Up to \$6,000.00 | Up to \$9,500 Up to \$10,500 |
| <small>*The amounts given above are the maximum annual amounts you can borrow in both subsidized and unsubsidized loans. You may receive less than the annual amounts if you receive other types of financial aid.</small> | | | | |
| 10. Loan Amount Requested - Enter the combined amount of Subsidized and/or Unsubsidized Federal Direct Stafford loans you wish to borrow. \$ _____ | | | 11. Expected Graduation Date from HCC: Month _____ Year _____ | |
| 12. Borrower History – Check the appropriate box. <input type="checkbox"/> This is my first Federal Direct Stafford Loan. <input type="checkbox"/> I have previously borrowed a Federal Direct Stafford Loan. <small>(Note: If you are a first time borrower at HCC, you are required to complete the ENTRANCE LOAN COUNSELING before submitting the Loan Request Statement.)</small> | | | | |
| 13. Borrower Certification – I request that the Financial Aid Office forward to U.S. Department of Education the data required to process my Master Promissory Note (MPN) for the loan period indicated above. I understand that to obtain a loan through this process I must: 1) complete the MPN that U.S. Department of Education will send to me; and 2) promptly return that form to them. Additional information will be provided to you when you receive the MPN. I request a Subsidized and/or Unsubsidized Federal Direct Loan in the amount I have indicated above not to exceed the maximum amount for which I am eligible to borrow. I understand that HCC will determine what portion of the loan, if any, is eligible for federal interest subsidized and that amount will be indicated on my 2011-2012 Financial Aid Award Notification. I certify that all information provided is true and correct. <ul style="list-style-type: none"> • I understand that I am giving authorization to HCC to pay for any unpaid institutional charges. • I request a Subsidized and/or Unsubsidized Federal Direct Stafford Loan in the amount I have indicated above not to exceed the maximum amount for which I am eligible to receive. • I understand that HCC will determine my Federal Direct Subsidized eligibility prior to determining my eligibility for the Federal Direct Unsubsidized Loan program. • I understand that HCC will forward a Financial Aid Award Notification to me that will reflect the amount of the loan(s) for which I am qualified. • I understand that I may cancel my loan within 14 days from the date the college credits my account. • I understand that if I am a first time borrower, my loan funds will not be available for delivery until the 31st day after the first day of classes. • I have read and understand all of the information provided on the previous pages. | | | | |
| Borrower's Signature _____ | | | Date _____ | |