

Louisiana Delta Community College

Office of Financial Aid

Instructions for Federal Direct Loan Process

Beginning July 1, 2014, effective Fall 2014 semester, LDCC will participate in the William D. Ford Federal Direct Loan Program. We want you to know and understand the procedures that will finalize your loan. The following information and the attached LDCC Direct Loan Request Form will help you understand the loan program.

Federal Direct Loans are financial aid that must begin to be repaid, typically six months from the point you have graduated, are no longer enrolled or drop below six credit hours. Federal Direct Loans are subject to the same rules and regulations as Federal Pell Grants and other federal aid. Loans are to be used for expenses associated with your education. Using loan money to purchase a car, pay legal expenses, make investments, consolidate consumer debts, or pay non-educational related debts; violates federal law and could result in the loss of your borrowing privileges at the college.

Taking out a student loan is a serious responsibility – borrow conservatively! Student loans must be repaid!

Types of Direct Loans

Subsidized Direct Loan: A loan that the federal government pays interest on during in-school status, grace periods and authorized deferment periods. To qualify for a subsidized Direct Loan, you must demonstrate financial need.

Unsubsidized Direct Loan: A loan that you are responsible for paying the interest on during in-school status, grace periods and authorized deferment periods. You have the option of postponing interest payments while in school. However, the interest continues to accrue and any unpaid interest will be capitalized (added to the principal balance) as you enter repayment.

2016-2017 Annual Loan Limits -- The academic year begins with fall and ends with summer semester.

Freshman Federal Loan Limits (0 -29 credit hours <u>earned</u>)	Sophomore Federal Loan Limits (30 or more credit hours <u>earned</u>)	Federal Undergraduate Aggregate Loan Limits
<u>Dependent</u>	<u>Dependent</u>	<u>Dependent</u>
\$5,500 per year (up to 3,500 may be subsidized based on need)	\$6,500 per year (up to 4,500 may be subsidized based on need)	\$23,000 subsidized, \$31,000 total
<u>Independent</u>	<u>Independent</u>	<u>Independent</u>
\$9,500 per year (up to 3,500 may be subsidized based on need)	\$10,500 per year (up to 4,500 may be subsidized based on need)	\$23,000 subsidized, \$57,500 total

2016-2017 Direct Loan Interest Rates and Fees—can be found at www.studentaid.ed.gov/types/loans/interest-rates.

Steps to complete LDCC Federal Direct Loan Request:

- 1: Complete your FAFSA**—at www.fafsa.gov. You will be required to use your (FAFSA) Department of Education FSA ID (username and password). If you do not have a FSA ID, you may create one at fsaid.ed.gov.
- 2: Complete Loan Entrance Counseling**—You must complete this session before you can receive disbursements on your loan at www.studentloans.gov. You must have your FSA ID to complete.
- 3: Complete Master Promissory Note**—Go to www.studentloans.gov and input your personal information, then select “Complete Master Promissory Note”. You must have your FSA ID to complete.
- 4: Submit Direct Loan Request Form**—to the LDCC Office of Financial Aid.

General Loan Information

Disbursement of Funds: If you are a first-year student or a first-time direct loan borrower, your loan will be disbursed 30 calendar days after the program of study begins. All students must be attending six credit hours at the time of disbursement. Federal Direct Loans will be paid in two disbursements.

Return of Title IV Aid: Title IV aid includes Pell grant, SEOG, and Federal Direct Loan programs. When a student withdraws before completing 60% of the semester, a calculation of return of funds will be performed. LDCC is required to return the money that was disbursed and the student will be required to reimburse LDCC.

Default: Default is failure to pay your loan back according to the terms disclosed on your Master Promissory Note. You are considered “in default” if your payments are more than 270 days past due or if you fail to comply with all other terms of the loan. The following may occur:

- Loss of federal and state for federal income tax refunds
- Loss of eligibility for federal student aid
- Negative credit reports
- Garnishment of wages

Loan Exit Counseling: You will be required to complete an Exit Counseling Session when you graduate, withdraw, or cease to be at least a half-time (six credit hours) student at www.studentloans.gov.

Student Information: (PLEASE PRINT)

Name: _____

 Last First MI
 Social Security Number: _____ DOB: _____
 Student ID Number: _____ Primary Phone Number: _____

*******YOU MUST BE ENROLLED IN AT LEAST SIX CREDIT HOURS PER SEMESTER.*******

**Please adhere to the following deadline when submitting this form.
Request forms will NOT be accepted after Final Deadline Date.**

Semester	Priority Deadline	Final Deadline
Spring Only	November 11, 2016	April 14, 2017

Before submitting this form, be sure that the following have occurred:

- ❖ Your 2016/2017 FAFSA has been submitted and processed by the government **and** received at the college.
- ❖ You have been admitted to the college in a degree seeking program.
- ❖ You have enrolled in at least half-time status (six credit hours).
- ❖ You are meeting Satisfactory Academic Progress (SAP) requirements. Review LDCC SAP Policy and Procedures at <http://www.ladelta.edu/Admissions/Financial-Aid/satisfactory-academic-progress-sap>.
- ❖ You have completed your online Loan Entrance Counseling Session at www.studentloans.gov. You will be required to use your (FAFSA) Department of Education FSA ID (username and password.) If you do not have a FSA ID, you may create at fsaid.ed.gov.
- ❖ You have completed your Master Promissory Note online at www.studentloans.gov.

Federal Direct Loan Information:

Please check the appropriate boxes below to be considered for loans:

- Process my loan for the maximum amount that my grade level allows.
- I would like to borrow an amount other than the maximum. Process my loan for \$_____.
- If LDCC cannot offer me subsidized loan funds for the total amount requested, I would like to borrow unsubsidized loan funds (for which I must either pay interest while in school or capitalize at repayment).

The actual amount of your loan will be determined by your financial aid advisor. You will be notified via your student email once your loan has been awarded. My signature below represents that I accept LDCC's Terms & Conditions and the loan amount. My signature also authorizes LDCC to transfer the loan proceeds received by EFT to my Higher One Debit Card.

Signature _____ Date _____

**Return this form to the campus you will be attending for the 2016/17 school year
or fax to 318-345-9087.**

Monroe Bastrop Jonesboro Lake Providence Ruston Tallulah West Monroe Winnsboro