



Wor-Wic Community College
Financial Aid Office
Phone: 410-334-2978
Fax: 410-334-2901

First Time Borrower Packet 2010-11

In order to complete the Federal Direct Loan process, you **MUST** complete this packet in its entirety. Failure to comply will result in the cancellation of your loan request.

Federal Direct Loan Application Requirements

****Student loans are to cover the cost of your direct educational expenses and primarily intended for full-time students**

****Students are urged NOT to borrow at the community college level**

Students MUST submit the following documents to the Financial Aid Office:

_____ Free Application for Federal Student Aid (FAFSA) electronically submitted to Wor-Wic Community College (www.fafsa.ed.gov) (school code - 013842)

_____ All financial aid paperwork to include if required:

*Verification Worksheet

*Signed copies of tax returns (if dependent student, parent's signed tax return also required)

_____ **Students Transferring in from another College:**

Official College Transcript from last institution attended showing transfer credits submitted to the Registrar's Office

_____ Completed Master Promissory Note (MPN) for a Stafford Direct Loan (www.studentloans.gov)

_____ Entrance Exam electronically submitted to Wor-Wic Community College (www.studentloans.gov)

_____ Completed **Outline for the Study of an Occupation** on pages 4 & 5 using the following website:
<http://www.bls.gov/oco/home.htm>

_____ Completed **Federal Direct Loan Processing Form** on pages 6 & 7

_____ This packet completed in its entirety

Students must also adhere to the following guidelines when applying for a Federal Direct Stafford Loan:

1. Enrolled at least half-time (6 credit hours)
2. Meet Financial Aid Satisfactory Academic Progress (SAP) policies
3. Not borrowed in excess of the aggregate loan limits
4. The student is responsible for repaying their student loan once they graduate, drop below half-time, or withdraw (even if they do not graduate)
5. The student is responsible for officially updating their contact information with the college Admissions Office during periods of enrollment and after separation from the college. Failure to do so could result in negative consequences for the student.

LOAN PROGRAM INFORMATION

The Federal Direct Loan Program allows you to borrow for educational expenses while deferring payments until after you leave school. The interest rates and fees are low relative to market rates. There are two kinds of Federal Direct Stafford loans --subsidized and unsubsidized.

Subsidized Federal Direct Stafford Loans

A subsidized Federal Direct Stafford loan is based on a student's financial need. It is a low-interest loan with a standard repayment period that can last up to 10 years. The U.S. Department of Education pays the interest that accumulates on the loan while the borrower is attending school at least half time and during approved deferment periods. Your eligibility for a subsidized loan is determined by the data reported on your FAFSA, including the verification of supporting documents, if required.

Unsubsidized Federal Direct Stafford Loans

An unsubsidized Federal Direct Stafford loan is not based on a student's financial need. It is a low-interest loan that requires students to pay interest that accumulates on the loan while they attend school and during approved deferment periods. A student may choose to have the interest capitalized on the loan rather than make interest payments during these periods. The standard repayment period for an unsubsidized loan is up to 10 years. Contact your lender for details about capitalization methods and requirements for interest payments.

<i>LOAN PROGRAMS</i>	<i>AVAILABLE FOR</i>	<i>ANNUAL LIMITS</i>	<i>INTEREST RATE</i>	<i>REPAYMENT</i>
Subsidized Federal Direct Stafford Loan	Undergraduate, graduate, and professional students with demonstrated financial need, enrolled at least half time.	Freshman: \$3,500 Sophomore: \$4,500	4.5% fixed rate as of July 1, 2010. 1.0% Stafford loan fee applied before disbursement Government pays the interest during in school and approved deferment periods.	Begins six months after borrower leaves school or drops below halftime enrollment.
Unsubsidized Federal Direct Stafford Loan	Undergraduate, graduate, and professional students who don't qualify for maximum subsidized Federal Stafford Loan awards and/or independent students eligible for the additional funds. enrolled at least half time	Dependent Students: Freshman: \$2,000 Sophomore: \$2,000 *Independent Students: Freshman: \$6,000 Sophomore: \$6,000 *These loan limits also apply to dependent students whose parents are denied a Federal PLUS loan.	6.8% fixed rate as of July 1, 2008. 1.0% Stafford loan fee applied before disbursement Borrower Responsible for interest from date of disbursement.	Begins six months after borrower leaves school or drops below halftime enrollment.

IMPORTANT REMINDERS

- Loan awards cannot exceed the student's cost of attendance less other aid awards.
- Subsidized loan eligibility is based on need.
- Loans borrowed previously at other colleges are included in aggregate limits.
- Students need to be in a degree program or approved certificate program.
- Loans are disbursed in equal amounts throughout the loan period. For two-semester loans, student will receive one disbursement for the fall semester and one disbursement for the spring semester. For one-semester loans, students will receive two disbursements within the semester.
- Loans for first time borrowers will not be disbursed until 30 days after the beginning of the semester.
- No loans may be certified beyond grade level 2 (sophomore).
- **Wor-Wic Community College can refuse to certify a loan or can certify a loan for an amount less than requested. The school's decision is final and cannot be appealed to the U. S. Department of Education. (GEN 91-19)**

ENROLLMENT REQUIREMENTS

In order for student loan funds to be released to your student account, you must be enrolled at least half -time and attending classes when loan funds are received. Loan funds for students failing to enroll for the minimum required credit hours will be returned to the lender. Students are encouraged to become familiar with the policies affecting students who stop attending classes or withdraw from classes, as a portion of their student loan may need to be returned to the lender.

FEDERAL DIRECT LOAN PROGRAM OUTLINE FOR THE STUDY OF AN OCCUPATION

First time borrowers at Wor-Wic Community College must complete the following **Outline for the Study of an Occupation Form**. The purpose of this requirement is to provide you with a detailed and realistic view of the expectations of your chosen occupation/career field and the expected salary/earnings related to a particular position. It is important for you to realize that **current student loan borrowing** decisions need to be considered within the context of your **anticipated** salary/earnings, in addition to your current financial and employment situation.

Good financial managers recommend that monthly loan repayments never exceed 15% of your monthly net pay. By having a greater awareness of the overall responsibilities of your chosen occupation and the financial compensation you will potentially earn in such a position, you will provide yourself with the opportunity to make a well-informed and responsible decision regarding your student loan. The financial decisions and debt management planning you do today will affect your financial well-being and credit history of tomorrow.

INSTRUCTIONS:

Log onto <http://www.bls.gov/oco/home.htm> and click **A-Z Index**. Type your occupation in the box and click **Search**. Using the information online, complete the career analysis below. If you do not have access to a computer at home, you may use the computer lab in the Financial Aid Office (AAB 111) to complete the information below.

1. Title of Occupation: _____

2. Nature of Work:

a. What type of duties will be required in this job?

b. What related duties are there?

3. Worker Qualifications/Helpful Qualities

a. Physical demands

b. Prior work experience required? ____ Yes ____ No

c. Licensing and Certification and/or Examination required? ____ Yes ____ No

d. Equipment/Other _____ -

e. Are special skills or knowledge required? ____ Yes ____ No

4. Education (List whether required or recommended)

a. High School? ____ Yes ____ No Type of Courses: _____

b. Technical School? ____ Yes ____ No Type of Courses: _____

c. College? ____ Yes ____ No Degree/Type of Courses: _____

d. Graduate School? ____ Yes ____ No Degree/Type of Courses: _____

e. Length of time for total preparation at full-time credit load (after high school) _____

5. Training (List whether required or recommended)

a. On the job training: ____ Yes ____ No Length of training: _____

b. Apprenticeship: ____ Yes ____ No Length of apprenticeship: _____

c. Internship: ____ Yes ____ No Length of Internship: _____

6. Earnings (state annual salaries for a – c)

a. What is the average beginning salary or wage? _____

b. What is the maximum salary or wage? _____

c. Will this income bracket satisfy your monetary needs? ____ Yes ____ No

d. Are benefits included in the compensation for this occupation? ____ Yes ____ No

e. Describe what you perceive to be the prevalent lifestyle of people in this occupation: _____

7. Related Occupations: (Hint – look at the occupations in this cluster in the DOT)

a. What are some occupations involving similar work and requiring similar types and amounts of training and skills: _____

b. What are some occupations involving similar work but requiring a greater amount of training or skills? _____

c. What are some occupations involving similar work but requiring a lesser amount of training or skills? _____

8. List the advantages and disadvantages of this particular occupation from your point of view.

ADVANTAGES

DISADVANTAGES



Federal Direct Loan Processing Form – New Borrower
2010-2011 Academic Year

Student Information

Name _____

Date of Birth ____/____/____ Student ID _____

Street Address _____

City _____ State _____ ZIP _____

Telephone: Home (____) _____ Cell/Work (____) _____

Detailed Purpose of Loan

Requested loan amount: \$ _____

References

Please list two personal references who live in different households, are at least 18 years of age, and who have strong credit histories.

Name _____

Street Address _____

City _____ State _____ ZIP _____

Telephone (____) _____ Relationship to Borrower _____

Name _____

Street Address _____

City _____ State _____ ZIP _____

Telephone (____) _____ Relationship to Borrower _____

Program of Study

What is your program of study and when do you expect to complete your studies at Wor-Wic Community College?

Program of Study _____ Month _____ Year _____

Statement of Understanding

I understand this form is not a loan application. I understand the school cannot process my loan if my financial aid file is incomplete. I understand the school is neither the guarantor nor the lender. I understand that any loan I borrow must be repaid with interest. I understand that if my address or any other information I have provided is not correct, or is incomplete, my loan cannot be processed. If this is my first Federal Direct Loan at Wor-Wic Community College, I must complete an entrance interview before my loan is processed. I understand that I must maintain six (6) credit hours through each semester and maintain Satisfactory Academic Progress in order to receive the loan proceeds. I understand that Federal regulations require all student loan borrowers to complete an Exit Interview prior to graduating, transferring, or when enrollment drops below half-time status (6 credits).

Student Signature _____ Date _____

This document/information is subject to change without notice.