

# 2016-2017 Private Student Loan “Good Choices” Instruction Sheet Hawkeye Community College

It is important for all students to understand the conditions of borrowing a private loan before processing the application. You must be aware that you have selected this funding option over a Federal Parent PLUS Loan. The PLUS loan is potentially a better funding option for students and should always be considered first before pursuing a private loan. Because of this, the Hawkeye Financial Aid Office has developed simple, but helpful exercises to assist you in learning important information about your private loan and potential student loan debt. This will help you so you do not experience repayment difficulties or possibly default on a loan. **PLEASE NOTE: PRIVATE LOANS MAY NOT BE CONSOLIDATED WITH ANY FEDERAL LOANS RECEIVED! YOU WILL MAKE SEPARATE PAYMENTS FOR FEDERAL LOANS AND THE PRIVATE LENDER OF YOUR CHOICE.**

Called “**Good Choices**,” these exercises will help you make informed decisions today by thinking about your future repayment responsibilities. **“Good Choices” must be completed before borrowing a Private Loan at Hawkeye Community College EACH academic year.**

## **Here’s how you do “Good Choices”:**

- Step 1** Complete the following after you have been awarded and accepted your financial aid award
- Step 2** Read your private loan materials and learn the conditions of your loan option
- Step 3** Complete the “Good Choices” Worksheet, Debt Management Sheet, and Budget Sheet.
- Step 4** If you wish, make an appointment with a Financial Aid Advisor. (optional)
- Step 5** Submit your completed “Good Choices” Worksheet, Debt Management, and Budget Sheet to the Financial Aid Office.

## **Important Information:**

It may take up to four weeks to process a private loan so early application is important. Funds will be disbursed by the Business Office once per term beginning no earlier than the **sixth business day of the term** based on six or more hours of enrollment. For most private loans you need to be enrolled in at least six credit hours and follow Satisfactory Academic Guidelines.

Hawkeye reserves the right to limit borrowing. If you are enrolled in a program with required tools or equipment expenses exceeding \$500 per term, and you wish the expenses to be considered in your cost of attendance, please complete a Cost of Attendance Appeal Form with attached documentation to see about increasing your cost of attendance. Upon review of this form, we will consider your request for additional private loan funds.

**If you do not know the information asked regarding your private loan, you would need to contact your lender to get the information. If you have questions on the paperwork or your Federal Student Loans, you may contact the Financial Aid Office.**

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# Private Student Loan

## “Good Choices” Debt Management Sheet

### Hawkeye Community College

The purpose of this exercise is to help you **estimate** how much student loan debt you may acquire during your college years. Please follow the three steps carefully. Then, complete the following items and submit to the **Hawkeye Financial Aid Office** along with the Good Choices Worksheet and Budget Worksheet. **All forms must be entirely completed or they will be returned.**

Name \_\_\_\_\_ Student ID Number \_\_\_\_\_  
(Listed on Hawkeye ID card)

#### STEP 1 – Federal Student Loan Projection

How much in **Federal Student Loans** do you plan to borrow before you finish college?

**Current amount borrowed (including this year):** \$ \_\_\_\_\_ (A)  
 (If you do not know, go to [www.nslds.ed.gov](http://www.nslds.ed.gov) to look it up.)

**Estimated amount you may borrow in the future:** \$ \_\_\_\_\_ (B)  
 (Estimate how much you borrow per year and multiply it by the number of college years you have remaining.)

Max for Independent Student: \$10,500/year  
 Max for Dependent Student: \$ 6,500/year

Number years of college left \_\_\_\_\_

**TOTAL PROJECTED DIRECT LOAN DEBT (A + B) \$ \_\_\_\_\_ (C)**

If you end up borrowing the total amount you are projecting you will borrow, how much will your monthly payment be?  
 Use the College Loan Repayment Calculator to estimate your monthly payments. Use 4.66% interest rate and 10 year loan term as an estimate. The Calculator is found at: <http://calculators.iowacollegeaid.gov/co/ICSAC/Calculators/Loan.aspx> \$ \_\_\_\_\_ per month (X)

#### STEP 2 – Private Loan Projection

How much in **Private Loans** do you plan to borrow before you finish college?

**Current amount borrowed:** \$ \_\_\_\_\_ (D)  
 If you do not know, call your lender.

**Amount requested on this loan for this school year:** \$ \_\_\_\_\_ (E)

**Estimated amount you may borrow in the future:** \$ \_\_\_\_\_ (F)  
 (Estimate how much you borrow per year and multiply it by the number of years you have remaining.)

Per year \_\_\_\_\_  
 Number of years remaining \_\_\_\_\_

**TOTAL PROJECTED PRIVATE LOAN DEBT (D + E + F) \$ \_\_\_\_\_ (G)**

If you end up borrowing the total amount you are projecting you will borrow, how much will your monthly payment be?  
 Use the College Loan Repayment Calculator to estimate your monthly payments. Use your average interest rate of your private loans and 10 year loan term as an estimate. The Calculator is found at <http://calculators.iowacollegeaid.gov/co/ICSAC/Calculators/Loan.aspx> \$ \_\_\_\_\_ per month (Y)

#### STEP 3 – Total Federal and Private Loan Monthly Payment Projection

How much in **Federal Loan** and **Private Loans** do you plan to borrow before you finish college?

TOTAL PROJECTED FEDERAL LOAN DEBT (C) \$ \_\_\_\_\_

TOTAL PROJECTED PRIVATE LOAN DEBT (G) \$ \_\_\_\_\_

**TOTAL PROJECTED LOAN DEBT (C + G) \$ \_\_\_\_\_ (H)**

TOTAL MONTHLY PAYMENTS (X + Y) \$ \_\_\_\_\_ per month (Z)

\*Reminder: Those payments will be made separately, we are just helping you determine the approximate total monthly loan payment.

#### IMPORTANT:

If you estimate your **total projected loan debt** (Item H) to be over \$16,000 or your monthly payments (Item Z) to be greater than 8% of your future monthly income, you may need to rethink the amount of loans you are borrowing and try to find ways to reduce borrowing (ie: part time employment, scholarships). If you are unsure about your estimated monthly income, please refer to the Bureau of Labor Statistics [www.bls.gov](http://www.bls.gov).

Student Signature \_\_\_\_\_ Date \_\_\_\_\_

# Private Student Loan "Good Choices" Worksheet

The purpose of this exercise is to help you learn important information about the conditions of your Private Loan. **Please read your Private Loan application thoroughly and/or call your lender to find the answers to the following questions.** Then, complete the following items and submit to the **Hawkeye Financial Aid Office** along with the "Good Choice Debt Management" and "Budget" worksheets. **All forms must be entirely completed or will be returned.**

Name \_\_\_\_\_ Student ID Number \_\_\_\_\_ SSN \_\_\_\_\_ Phone # \_\_\_\_\_  
(listed on your Hawkeye Student ID Card)

Complete Mailing Address \_\_\_\_\_

1. Which lender will be servicing the loan you are applying for now? \_\_\_\_\_

2. If you have borrowed Private Loans in the past, are they with the same lender you listed above? YES NO

- If you answer "NO", who was your previous lender? \_\_\_\_\_

**You will be required to repay each lender separately.**

3. What is the phone number of your lender? \_\_\_\_\_

4. How much do you plan to borrow for the current school year? \$ \_\_\_\_\_ Semester(s) \_\_\_\_\_

5. Is it a Fixed or Variable interest rate? \_\_\_\_\_

If it's a Variable interest rate, what is the interest rate capped at? \_\_\_\_\_ (This is the highest interest rate possible.)

6. What is the Origination Fee of your loan? \_\_\_\_\_ (This is a fee the lender takes for processing your application and comes out of your requested amount. If you are unsure, contact your lender.)

7. Are you able to defer the payments of this loan while you are in school? YES NO

- If you answer "NO", how will you be able to make monthly payments while in school? **Answer below.**

\_\_\_\_\_

\_\_\_\_\_

8. When is your anticipated graduation date? Month \_\_\_\_\_ Year \_\_\_\_\_

9. When do you anticipate your monthly payments to begin? Month \_\_\_\_\_ Year \_\_\_\_\_

10. Do you understand that this Private Loan CANNOT be consolidated (put together) with your Federal Student Loan so you will be responsible for making two (2) separate payments?  
YES NO

11. If you wish to meet with a Hawkeye Financial Aid Advisor to discuss this in more detail please, contact the Financial Aid Office at 319-296-4020 to schedule an appointment.

## STUDENT CERTIFICATION STATEMENT

"I understand that I am responsible for the repayment of this Private Loan and any other student loans that I receive. I understand that I am not able to consolidate my Direct Subsidized Loans, Direct Unsubsidized Loans, and Private Loans into one payment. Therefore, I will be responsible for at least two (2) separate payments. I understand that funds from this loan will first be applied to my Hawkeye bill and a credit balance check will be disbursed no earlier than the scheduled disbursement date of each semester.

I have read the information on the "Good Choices" Instruction sheet I understand that a Federal Parent PLUS loan is available to fund my education. If I am dependent, I also understand that the Parent PLUS loan might be a better option for me than the above mentioned private loan. I have elected not to pursue the Federal Parent PLUS Loan at this time."

\_\_\_\_\_  
Student Signature

\_\_\_\_\_  
Date

"I understand that a Federal Parent PLUS loan is available to fund this student's education. I also understand that the Federal Parent PLUS loan might be a better option for the student than the above mentioned private loan. We have elected not to pursue the Federal Parent PLUS Loan at this time." **(Required for "Dependent Students.")**

\_\_\_\_\_  
Parent

\_\_\_\_\_  
Date

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# Budget Worksheet

## Hawkeye Community College

\*If your Expense or Income is something other than monthly, try to determine what it would be monthly to help you organize your budget.

Expenses (Monthly)	Pay Out Amount	Due Date	Received Amount
Mortgage/Rent	\$		
Taxes & Insurance & Association Fees	\$		
Home Repairs	\$		
Utilities (Electric/Gas/Oil)	\$		
Water & Sewer	\$		
Phone (Cellular)	\$		
Internet/Cable/Satellite	\$		
Car Payment	\$		
Gas	\$		
Car Insurance	\$		
Car Repairs/Maintenance	\$		
Other Transportation (bus)	\$		
Life/Disability/Health Insurance	\$		
Credit Card 1	\$		
Student Loans	\$		
Groceries/Eating Out	\$		
Day Care	\$		
Child Support	\$		
School Tuition/Fees	\$		
Medication	\$		
Toiletries/Makeup/Clothing	\$		
Pet Food	\$		
Pet Care (vet, grooming, etc)	\$		
Hobbies(Books, games, music)/Holidays	\$		
Cleaning Supplies	\$		
Other	\$		
<b>Total Expenses:</b>	\$		
<b>Income (Monthly)</b>			
Wages (including work study)			\$
Child Support			\$
SNAP (Food stamps)			\$
Grants/Scholarships			\$
Disability/Unemployment/Workman's Compensation			\$
Parental Assistance or other Financial Help			\$
<b>Total Income:</b>			\$
Are your total expenses more than your total income? If yes, you may want to look at what expenses are necessary and what you are able to cut back on to live within your budget.			