

DIRECT STUDENT LOANS

To apply for a student loan follow the instructions below. Direct Loans are low-interest loans for students to help pay for the cost of a student's education. The lender is the U.S. Department of Education (ED) rather than a bank or other financial institution. We cannot process a student loan until our office has received a 2011 – 2012 Free Application for Federal Student Aid (FAFSA) and the loan worksheet. All students must submit the FAFSA and the loan worksheet to the financial aid office for every academic year that they are requesting loans.

INSTRUCTIONS FOR COMPLETING YOUR STUDENT LOAN REQUEST

- Step 1: Complete the Loan Entrance Counseling** which goes over your rights and responsibilities of being a student loan borrower. **This step is required BEFORE we process your loan request.*** Go to www.studentloans.gov. You must first "Sign In" by using your Federal Financial Aid PIN. It is the same PIN you used for your FAFSA. If you do not remember your PIN number or do not have a PIN, go to www.pin.ed.gov to request your PIN. Once you have signed in select "Complete Entrance Counseling" twice. Complete the quiz and submit. When you have finished you may print out the rights and responsibilities page and save it for your records. *Note: If you have had a direct loan at WVC after summer 2008, then you do NOT need to do this step, go to Step 3.
- Step 2: Complete and sign your Master Promissory Note (MPN).** This step is also required **BEFORE** we process your loan request.* Please go to www.studentloans.gov. You must first "Sign In" by using your Federal Financial Aid PIN. It is the same PIN you used for your FAFSA. If you do not remember your PIN number or do not have a PIN, go to www.pin.ed.gov to request your PIN. Once you have signed in select "Complete Master Promissory Note" and then select "Subsidized/Unsubsidized". Complete all four steps and Submit. *Note: If you have had a direct loan at WVC after summer 2008, then you do NOT need to do this step, go to step 3.
- Step 3: Complete and submit the attached student loan worksheet to the WVC Financial Aid office.** Keep this instruction/information sheet for later reference; do NOT turn it in with the worksheet form.
- Step 4: Loan request is processed** once steps 1 – 3 are completed and we receive confirmation from the ED regarding your entrance counseling and MPN. Processing time can take up to 6-8 weeks depending on the volume of applications our office receives. You will receive an award letter notification after we certify your loan request. Your award letter will have the loan amount(s) for which you are eligible for.
- Step 5: Checks are mailed.** Funds will be sent to the college and will first be applied to any outstanding tuition and any related fee charges, then the remaining funds will be mailed to you. **Loans processed PRIOR to the quarter are not disbursed until the quarter starts.** For loans processed **AFTER** the beginning of the quarter your funds should be disbursed to you within 4 to 7 business days. If you have a 30-day hold your funds will not be disbursed until 30 days from the start of the quarter.

Your single contact to get your account information for your Direct loan:

Direct Loan Servicing Center

Phone: 1-800-848-0983

Web site: www.dl.ed.gov

If you do not have Internet access, you may use the computers next to the financial aid office or the WVC library to complete the Loan Entrance Counseling and/or MPN.

STUDENT LOAN INFORMATION

Please read all the information on this page. Once you have read this and completed the loan worksheet, please return the loan worksheet to the financial aid office. Keep the instruction and information sheets for later referencing.

1. You must have a completed financial aid file at the WVC Financial Aid Office. This means you have completed the 2011-2012 FAFSA and it has been received and processed by both the Department of Education (ED) and the financial aid office.
2. **You must be enrolled in an eligible degree or certificate program and taking at least 6 credits in each quarter you wish to receive a loan at WVC.** Students must be enrolled in an eligible degree program to receive financial aid, including loans. There is an exception for students who are taking ONLY prerequisites. Those students are only eligible for loans and only for a 12 consecutive month period, during which they must be taking at least 6 credits of required prerequisites.
3. WVC began participating in the Direct Loan program for the 2008/2009 school year. Students who completed the online Direct Loan Entrance Counseling and the electronic Direct Loan Master Promissory Note (MPN) at WVC do NOT need to do so again. **All other students will need to do so BEFORE we can certify a Direct Loan.** Once we have received confirmation from the ED that this has been completed we will then certify your loan. The loan entrance counseling goes over your rights and responsibilities of being a student loan borrower and your MPN is your promise to pay back the loan.
4. **If you are a first-year student AND a first-time student loan borrower, your first quarter loan disbursement amount must be held for 30 days from the first day of the quarter, so please plan accordingly.** For all other quarters and for non first-year first-time borrowers the 30 day wait period does not apply.
5. Your loan will be issued in multiple disbursements. If you only check one quarter or awarded for one quarter, you will receive a one quarter loan separated into two equal payments; one at the beginning of the quarter and one half-way through. If you check two or more quarters, the loan will be divided among all checked quarters for which you are eligible. We can divide your loan between prior quarters in the same year, if you were eligible during the prior quarters. If you are finishing your degree prior to year-end, your loan will be prorated for the appropriate quarters. If you have questions, please contact our office.
6. Grade level is determined by the number of COMPLETED credits toward the degree you are CURRENTLY seeking at WVC. For instance, a student in the first quarter of the nursing program would be a first-year student, as any prerequisite credits will not be considered as part of the currently enrolled degree for loan purposes.
7. The ED charges a loan origination fee. This fee is deducted before you receive any loan money, so your net loan amount will be the amount you requested less the loan fee. The loan fee is 1.0 percent of the borrowed amount. The interest rate is 6.8 percent.
8. Remember, this is a student loan and it **MUST BE REPAYED**. Don't borrow more than you need.
9. **No checks are issued before the quarter begins.** We do request funds from the ED before the quarter starts to give us time to process them, but we do not disburse checks until the quarter begins.
10. Generally, you can expect your loan funds to arrive 4 to 7 business days after the loan request has been processed, **except** in the case where the request has been processed before the start of the quarter; in which case it will be mailed during the first week of the quarter.
11. All loan recipients are required to complete loan exit counseling when they graduate, leave school, or drop below half-time status. Exit counseling should be done one quarter before your expected graduation date or within two weeks of when you stop attending all classes or withdraw from the college. Loan exit counseling can be done at www.nslds.ed.gov.
12. You have the right to cancel your student loan at any time. If your loan funds have been disbursed to you, you have within 14 business days to return the funds to the college for a full refund back to the loan program. If you have already received your loan disbursement and it has been more than 14 days, you can send the funds directly back to the ED. Contact the financial aid office if you have any questions.

FEDERAL DIRECT STUDENT LOAN WORKSHEET

2011-2012

Summer 2011 – Spring 2012

This form is to apply for a Federal Direct Student loan. This is a loan and must be repaid.



- Please read carefully and complete every item. **An incomplete form will delay processing of your loan.**
- The FAFSA and your financial aid file must be completed (see statement # 1 on information sheet)
- Students must meet eligibility requirements to certify loan (see statement # 2 on information sheet)

Social Security Number: _____ - _____ - _____ Student ID Number: _____ - _____ - _____

Last Name: _____ First Name: _____ MI: _____

Date of Birth: _____ Day or Cell Number: _____

Permanent Mailing Address: _____

NOTE: Loan checks will be mailed to the address you have on file with Admissions/Registration office.

City: _____ State: _____ Zip: _____

- 1) Complete the **Entrance Counseling Exam**. (see Step 1 on instructions sheet for directions and statement # 3 on information sheet)
- 2) Complete the **Master Promissory Note (MPN)**. (see Step 2 on instructions sheet for directions and statement # 3 on information sheet)
- 3) Please check appropriate box below. (see statement # 4 on information sheet)
 - I had a previous student loan at Wenatchee Valley College. Year(s): _____
 - I had a previous student loan at another school. – Where: _____ Year: _____
 - I am a first-time borrower. Note: If you are also a 1st year student you will have a 30 day hold. (see statement # 4 on information sheet)

LOAN PERIOD & CREDIT ENROLLMENT (see statement # 5 on information sheet)

- 4) For which quarter(s) are you requesting a loan? Check all quarters that apply AND indicate the number of credits you plan on taking.
 - Summer 11 _____ Credits
 - Fall 11 _____ Credits
 - Winter 12 _____ Credits
 - Spring 12 _____ Credits
- 5) Graduation Date: _____ 6) Degree you are seeking at **WVC**: _____
 (LAST quarter & year you will attend **WVC**)

GRADE LEVEL & LOAN AMOUNTS (see statement # 6 – 8 on information sheet)

- 7) Are you in your 1st year or 2nd year of your program? (see statement # 6 on information sheet)

YEARLY MAXIMUM LOAN LIMITS

DEPENDENT STUDENT

Grade Level	Subsidized Only	Total Subsidized & Unsubsidized
1 st Year	\$3,500	\$5,500
2 nd Year	\$4,500	\$6,500

INDEPENDENT STUDENT

Grade Level	Subsidized Only	Total Subsidized & Unsubsidized
1 st Year	\$3,500	\$9,500
2 nd Year	\$4,500	\$10,500

NOTE: You must have financial need to be eligible for the subsidized loan. We award the eligible amount of subsidized first and then the unsubsidized loan up to your Cost of Attendance; which may be less than the maximum annual amounts shown in the charts.

- 8) How much do you want to borrow? \$ _____ * (Request the total amount you need for the entire school year)
 *The loan will be divided among all checked quarters in question # 4 above
- 9) If you are not eligible for all of the loan you are requesting in **Subsidized** funds, do you want to receive any remaining eligibility in **UNSUBSIDIZED** funds—which accumulate interest while you are in school? Yes No **
 If you mark No, you will only be considered for the maximum **Subsidized loan limit. Also, if you do NOT qualify for subsidized funds, then you will not be awarded a student loan and we will automatically cancel your request for loan.

10) Student Signature: _____ Date: _____