

# William D. Ford Federal Direct Student Loan & Federal Work Study Application 2005-2006



Complete this application if you are requesting a William D. Ford Federal Direct Student Loan and/or if you are applying for Federal Work Study. When completing this form, please provide all required data, including attendance information and signature, and submit to the Financial Aid Office. You will be notified of approval/denial by mail.

Student Name (printed):		Social Security #	
Street Address:		City/State/Zip:	
I will be attending Monroe Community College in 2005-2006 for the following number of credit hours:			
Fall 05:	<input type="checkbox"/> (12+ credit hours)	<input type="checkbox"/> (9-11 credits)	<input type="checkbox"/> (6-8 credits)
Spring 06:	<input type="checkbox"/> (12+ credit hours)	<input type="checkbox"/> (9-11 credits)	<input type="checkbox"/> (6-8 credits)

### For Direct Student Loans:

- You must complete a 2005-2006 FAFSA application.
- You must be in attendance for a minimum of 6 credit hours per semester.
- You must be matriculated (admitted into a program) and in good academic standing.
- You must complete loan entrance counseling and must sign the master promissory note, unless you have already done so on a prior loan. You will be sent instructions once your loan is processed.

I am applying for a Direct Student Loan in the amount of \$ \_\_\_\_\_ total.

I am requesting the loan for the following semesters (Please check one):

- |  |  |
|--|--|
| <input type="checkbox"/> Fall 2005 & Spring 2006 | Expected month and date of graduation: |
| <input type="checkbox"/> Fall 2005 only          | Month _____ (May or December)          |
| <input type="checkbox"/> Spring 2006 only        | Year _____                             |

While in school *I will live*:  With Parents  Not With Parents

I UNDERSTAND that I will be REQUIRED to complete loan entrance counseling and electronically sign a promissory note if I have not already done so with a prior loan. If I do not meet this requirement, the loan will not be paid.

Signature required: \_\_\_\_\_ Date: \_\_\_\_\_

### For Federal Work Study:

- You must complete a 2005-2006 FAFSA application.
- You must be matriculated (admitted into a program) and in good academic standing.
- You must be in attendance for Fall 05 and/or Spring 06.
- Eligibility is based on Financial Need. You will be notified by mail.

I am applying for the Federal Work Study Program.

Signature required: \_\_\_\_\_ Date: \_\_\_\_\_

# LOAN FACTS

## *William D. Ford Federal Direct Student Loan*

### How Much Can Students Request in Direct Student Loans?

The **maximum** amount a student can request **each academic year** is:

	Dependent * <u>Student</u>	Independent** <u>Student</u>
1st year undergraduate	\$2,625	\$6,625
2nd year undergraduate	\$3,500	\$7,500

(2nd year undergraduate **must have earned 24 credits towards degree** prior to the period of the loan.)

\* A **dependent** student is one who does not meet any of the criteria for an independent student.

\*\* An **independent** student is one of the following: a student who is at least 24 years old, married, a graduate or professional student, a veteran, an orphan, a ward of the court, or someone with legal dependents other than a spouse.

- The amount a student can borrow is **limited by**: the student's school costs, other financial aid the student may receive and (in the case of Direct Subsidized Loans) the student's Expected Family Contribution as derived from the Free Application for Federal Student Aid.
- All Direct Loans have an origination fee of 3% that is subtracted proportionately from each loan disbursement. This money goes to the federal government to help reduce the cost of supporting these low-interest loans.
- All loans are disbursed in two equal installments. The first installment is disbursed approximately six weeks into the semester (mid-October for Fall loans and mid-March for the Spring loans) so that attendance can be verified. The second disbursement is paid at the mid-point of the loan period.
- **Federal Direct SUBSIDIZED Stafford/Ford Loans** – The federal government pays the interest on subsidized loans while students are in school at least half time and during certain periods, such as grace and deferment (a postponement of repayment). In order to receive this type of loan, students must demonstrate financial need as determined by information provided on the FAFSA application.
- **Federal Direct UNSUBSIDIZED Stafford/Ford Loans** – Students can get these loans regardless of financial need. Students can defer payment of the principle but are responsible for all interest charges while in school.

### What is the interest rate for direct loans?

Interest rates are variable and are adjusted each year on July 1. The maximum interest rate for Direct Subsidized and Unsubsidized Loans is 8.25%.

### How do I Complete Loan Entrance Counseling and Signing the Master Promissory Note?

If you have not completed these steps with a prior student loan, you will be sent instructions once the loan is processed. Link to the appropriate federal loan web sites from the Financial Aid page of the MCC web site at [www.monroecc.edu/go/finaid](http://www.monroecc.edu/go/finaid). After completing loan entrance counseling, please print the confirmation page. For signing of the Promissory note, you will need a federal PIN, which can be requested at [www.pin.ed.gov](http://www.pin.ed.gov).