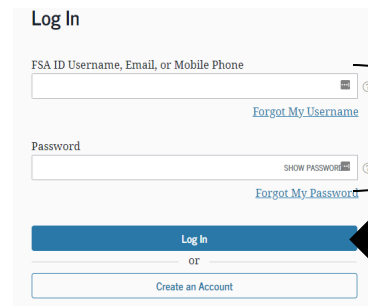


PROCEDURES FOR OBTAINING A FEDERAL DIRECT LOAN (PAPER APPLICATION)

- 1) Fill out the 2020-2021 Free Application For Federal Student Aid (FAFSA) at: <https://fafsa.gov>
 - I. If you are selected for Verification, all the required paperwork must be submitted and finalized before a loan can be processed.
- 2) Visit <https://studentloans.gov> and log in using your FSA ID (Username) or verified Email Address & Password



- 3) Complete: Entrance Counseling (→ A) & a Master Promissory Note (MPN) (B ←)
 - I. Do not confuse Financial Awareness for Entrance Counseling.

MY CHECKLISTS

I'M PREPARING FOR SCHOOL

I'M IN SCHOOL

- [Renew Your FAFSA® Form](#)
- The FAFSA® form needs to be completed each school year
- [\(NEW\) Complete Your Annual Student Loan Acknowledgement](#)
- Understand your responsibilities as a student loan borrower
- [Apply for a PLUS Loan for Graduate School](#)
- PLUS loans can help pay for education expenses not covered by other aid
- [Complete Entrance Counseling](#)
- Learn about the costs of borrowing, eligibility, and repayment
- [Complete Exit Counseling \(for students who are finishing school\)](#)
- Learn about your responsibilities when repaying your loan
- [Complete MPN \(i.e., Loan Agreement\)](#)
- You must complete a *Master Promissory Note (MPN)* to take out a loan
- [Use Loan Simulator](#)

Begin, complete, review, or correct the FAFSA® form

[FAFSA® FORM >](#)

Sign the *Master Promissory Note (MPN)*

[COMPLETE MPN >](#)

Complete the Annual Student Loan Acknowledgement

[COMPLETE ACKNOWLEDGEMENT >](#)

MORE RESOURCES

[Help Center](#)

- 4) Complete the Federal Direct Loan Request Form (attached)

TYPES OF LOANS

1. **Direct Subsidized Loan:** (Based on financial need) The Federal Government pays the interest while you are in school at least halftime.
2. **Direct Unsubsidized Loan:** Accrues interest while in school.

IF YOU HAVE QUESTIONS, YOU MAY CALL THE STUDENT LOAN SUPPORT CENTER AT (800) 557-7394. EDUCATION LOAN COUNSELORS ARE AVAILABLE TO ASSIST YOU WITH QUESTIONS YOU MIGHT HAVE ABOUT FEDERAL STUDENT LOANS.

Annual Loan Limits for Subsidized and Unsubsidized Loans

	<i>Subsidized</i>	<i>Unsubsidized</i>	<i>Total subsidized & Unsubsidized</i>
<i>Dependent Students</i>			
First Year (Freshman) (0-29 credits)	\$3,500	\$2,000	\$5,500
Second Year (Sophomore) (30+ credits)	\$4,500	\$2,000	\$6,500
<i>Independent Students</i>			
First Year (Freshman) (0-29 credits)	\$3,500	\$6,000	\$9,500
Second Year (Sophomore) (30+ credits)	\$4,500	\$6,000	\$10,500

Aggregate (Lifetime) Undergraduate Loan Limits for Subsidized and Unsubsidized Loans

	<i>Subsidized</i>	<i>Unsubsidized</i>	<i>Total subsidized & Unsubsidized</i>
<i>Dependent Students</i>	\$23,000	\$8,000	\$31,000
<i>Independent Students</i>	\$23,000	\$34,500	\$57,500

*Note: The Maximum Subsidized loan cannot exceed the Financial NEED of the student
 **The Total Loan cannot exceed the student COST OF ATTENDANCE (COA) for the loan period.

Frequently Asked Questions

What is the current interest rate of Federal Direct Student Loans?

The interest rate is currently 2.75% for both Direct Subsidized and Unsubsidized loans first disbursed on or after July 1, 2020, and before July 1, 2021.

*** In addition, each loan has an origination fee, which is deducted proportionally from the loan. Check with our office to find out the fee you may be expected to pay for the loans you borrow.

When do I start repaying my student loans?

If you're attending school at least half-time, you have a grace period after you graduate, leave school, or drop below half-time status before you must begin repayment. The grace period for a Federal Direct Loan(s) is six (6) months.

- **SUBSIDIZED LOAN:** During the grace period, you do not have to pay any principal and interest will not accrue.
- **UNSUBSIDIZED LOAN:** You do not have to pay any principal, but you will accrue interest. You can either pay the interest as you go along or you may choose to defer payments until later, but remember that the interest will continue to accrue, and will later be capitalized.

How can I check the status of my Student Loans?

You can log into your CUNYfirst account by visiting: <https://home.cunyfirst.cuny.edu> to see the status of your loan. You may also contact your loan servicer. If you do not know who your loan servicer is, you may log into: <https://nslds.ed.gov> - using your FSA ID (Username) or verified Email Address & Password - to find out. NSLDS displays information about your loan and/or federal grant amounts, outstanding balances, loan statuses, and disbursements.

For additional information about student loans you may visit the following websites:

- <https://studentaid.ed.gov/types/loans/subsidized-unsubsidized>
- <https://studentaid.ed.gov/>
- <https://studentloans.gov>
- <https://www.kbcc.cuny.edu/financialaid/federaldirectloan.html>

Please allow up to two weeks for your Federal Direct Loan(s) to be processed

PAPER FEDERAL DIRECT LOAN APPLICATION

Borrower information to be completed by Student

(Please print clearly in **Black or Blue Ink** only. NOTE: Incomplete applications will NOT be processed)

Name: _____
LAST NAME FIRST NAME MI

D.O.B: _____
MM DD YYYY CUNYFIRST ID#

Address: _____
NUMBER/STREET APT # CITY STATE ZIP

Phone: (____) _____ - _____ Email: _____

Before applying for a Federal Direct Loan, make sure you have met the following requirements:

- Yes No I have completed a Free Application for Federal Student Aid (FAFSA) for the 2020 – 2021 school year. If not visit <https://fafsa.gov> to do so.
- Yes No I have completed, **Entrance counseling** and a **Master Promissory Note (MPN)**. If not visit <https://studentloans.gov> to do so.
You must use your FSA ID in order to electronically sign and submit both forms. Make sure to print or save a copy for your records.
- Yes No I am enrolled and attending courses worth a minimum of six (6) credits/equated credits and am matriculated in a degree granting program.
 I am aware that I must also be meet Satisfactory Academic Progress (**SAP**) in order to receive the Federal Direct Loan(s).
- Please note all disbursements of Direct Loan Funds are made **30 days** after the first day of classes for the term.
 All loans will be disbursed in two (2) equal payments per semester. Please allow up to two weeks for your Federal Direct Loan(s) to be processed.

All sections below must be completed in order for your loan to be successfully processed:

- When do you expect to graduate: _____
MM YYYY
- Please indicate below the amounts you wish to borrow. (**If you wish to borrow **Unsubsidized Loan funds** you must check the box next to **“Direct Unsubsidized Loan,”** if left unchecked our Office will only process **Direct Subsidized Loans****)
 - Direct Subsidized Loan
 - **Direct Unsubsidized Loan****

Please check only ONE of the options below:

- Fall/Spring: *Fall & Spring* \$ _____
- Fall only: *Fall Term Only* \$ _____
- Spring only: *Spring Term Only* \$ _____

Applicant Certification: My signature below certifies that I understand: **1)** this request form is not a Master Promissory Note (MPN); **2)** that I have completed Direct Loan Entrance Counseling before submitting my application; **3)** the Office of Financial Aid will determine my eligibility for Federal Direct Loans; **4)** my Federal Direct Loan request cannot be processed until the Financial Aid Office has received the results of my 2020-2021 FAFSA, collected all required documentation, and determined my application information to be correct; **5)** I must maintain half-time enrollment (**6 credits**) in order to receive any disbursement of Direct Loan funds; **6)** the Direct Loan amount cannot exceed my cost of attendance (COA) minus any other financial aid awarded; **7)** my loan may be reduced at any time due to a change in enrollment or financial aid eligibility; and **8)** the Bursars’ Office will make any necessary deductions from my Federal Direct Loan to pay my remaining tuition liability before I receive the balance of the funds.

Student’s Signature: _____ Date: _____

Contact Info

Office of Financial Aid Kingsborough Community College
 Room U-201
 Phone: (718) 368-4644/5651

Received by: _____
 Date: _____