PROCEDURES FOR OBTAINING A FEDERAL DIRECT LOAN (PAPER APPLICATION)

1) Fill out the 2017-2018 Free Application For Federal Student Aid (FAFSA) at: www.fafsa.ed.gov
   I. If you are selected for Verification, all the required paperwork must be submitted finalized before a loan can be processed.

2) Visit www.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.

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.

The interest rate for New Borrowers is 4.45%.
REMEMBER, IF YOU HAVE QUESTIONS, YOU MAY CALL THE HIGHER EDUCATION STUDENT LOAN SERVICE CENTER, AT (800) 848-0979. 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

<table>
<thead>
<tr>
<th></th>
<th>Subsidized</th>
<th>Unsubsidized</th>
<th>Total subsidized &amp; Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Students</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Year (Freshman) (0-29 credits)</td>
<td>$3,500</td>
<td>$2,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>Second Year (Sophomore) (30+ credits)</td>
<td>$4,500</td>
<td>$2,000</td>
<td>$6,500</td>
</tr>
<tr>
<td><strong>Independent Students</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Year (Freshman) (0-29 credits)</td>
<td>$3,500</td>
<td>$6,000</td>
<td>$9,500</td>
</tr>
<tr>
<td>Second Year (Sophomore) (30+ credits)</td>
<td>$4,500</td>
<td>$6,000</td>
<td>$10,500</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Subsidized</th>
<th>Unsubsidized</th>
<th>Total subsidized &amp; Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Students</strong></td>
<td>$23,000</td>
<td>$8,000</td>
<td>$31,000</td>
</tr>
<tr>
<td><strong>Independent Students</strong></td>
<td>$23,000</td>
<td>$34,500</td>
<td>$57,500</td>
</tr>
</tbody>
</table>

*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 for New Borrowers is 3.76% which is subject to change after July 1st, 2017. **(Each loan also 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 period of time after you graduate, leave school, or drop below half-time status before you must begin repayment. This period of time is called a “grace period”. 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 you won’t be charged interest.
- **UNSUBSIDIZED LOAN:** You do not have to pay any principal, but you will be charged 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](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: [www.nslds.ed.gov](http://www.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/](https://studentaid.ed.gov/)
- [www.studentloans.gov](http://www.studentloans.gov)
- [https://www.nslds.ed.gov](https://www.nslds.ed.gov)
- [http://www.kbcc.cuny.edu/sub-financial_aid/Pages/FederalDirectLoan.aspx](http://www.kbcc.cuny.edu/sub-financial_aid/Pages/FederalDirectLoan.aspx)

You can also visit our Office to speak with a Financial Aid Counselor: Monday – Friday, 9:00 AM to 5:00 PM  
Evening hours: Tuesdays & Wednesdays, 5:00pm to 8:00pm*  
*only when classes are in session

***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: ____________________________________________________________________________

Date of Birth: ___________ ___________ ___________ SOCIAL SECURITY # _______________________________________________________________________

Address: __________________________________________________________________________

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 2017–2018 school year. If not visit www.fafsa.ed.gov to do so.

☐ Yes ☐ No I have completed, Entrance counseling and a Master Promissory Note (MPN). If not visit www.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 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:

1. How many credits will you be taking in: Fall Semester:__________ Spring Semester:__________

2. When do you expect to graduate: ___________ ___________ ___________ ___________ ___________

3. 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 2017-2018 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; 7) the Direct Loan amount cannot exceed my cost of attendance (COA) minus any other financial aid awarded; 8) my loan may be reduced at any time due to a change in enrollment or financial aid eligibility; and 9) 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: ______________

CERTIFIED BY: __________________________ DATE: ______________

Sub Approved: $______________ Unsub Approved: $______________

Notes: __________________________________________________________________________

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

Received by: __________________________ Date: ______________