ONLINE PROCEDURE FOR OBTAINING A DIRECT LOAN

1) A 2013-2014 FAFSA application must be processed before you could apply for a Direct Loan.

2) Complete an Entrance Interview & Master Promissory Note (MPN) on www.studentloans.gov
   • To obtain a Direct Loan an Entrance Interview must first be completed. When you get to the above website, click on Entrance Counseling for Borrowers. Read the Entrance Counseling tutorial and take the quiz that follows the tutorial. Passing this quiz is a MUST.
   • A Master Promissory Note is required to receive funds from an educational loan program. Each applicable promissory note must be completed before loan funds can be disbursed. If you do not complete the promissory note online, you will receive a Promissory Note approximately two weeks after the loan is processed by the school. The promissory Note is the legal document you sign agreeing to pay back the loan. Before you sign it, you should review the information on the Promissory Note.

3) Complete your Fall 2013/Spring 2014 electronic Direct Loan Application at cunyportal.cuny.edu
   • Click on ‘Log-in’ at the bottom of the left navigation bar.
   • If you do not have a username and password, go to ‘Register Now’ to apply for one.
   • Enter your username and password.
   • Click on ‘Admissions/Financial Aid’.
   • Click on ‘eFAP (Financial Aid)’.
   • Click on ‘Financial Aid’.
   • Click on ‘Select Aid Year’, then choose 2013-2014
   • Go to ‘Application Status’ from the drop-down menu.
   • Click on ‘Direct Loan Request Form’.
   • Complete and submit your Direct Loan application.

   Processing time is 2 weeks. An e-mail notification will be sent once loan is processed. A disclosure statement will be sent by mail with disbursement dates. In addition, loan status can be checked on www.studentloans.gov.

TYPES OF LOANS

1. Direct Subsidized Loan – the Federal Government pays the interest while you are in school at least halftime (based on financial need).
2. Direct Unsubsidized Loan – you accrue interest while you are in school (financial needs are not considered).

<table>
<thead>
<tr>
<th></th>
<th>Maximum Subsidized Loan</th>
<th>Additional Unsubsidized Loan</th>
<th>**Total Annual Loan Amount (Subsidized &amp; Unsubsidized)</th>
<th>Maximum Subsidized Aggregate Limit Undergraduate</th>
<th>Maximum Aggregate Limit Combined Undergraduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Year (Dependent Student)</td>
<td>$3,500</td>
<td>$2,000</td>
<td>$5,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd Year (Dependent Student)</td>
<td>$4,500</td>
<td>$2,000</td>
<td>$6,500</td>
<td>$23,000</td>
<td>$31,000</td>
</tr>
<tr>
<td>1st Year (Independent Student)</td>
<td>$3,500</td>
<td>$6,000</td>
<td>$9,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd Year (Independent Student)</td>
<td>$4,500</td>
<td>$6,000</td>
<td>$10,500</td>
<td>$23,000</td>
<td>$57,500</td>
</tr>
</tbody>
</table>

* Maximum Subsidized loan cannot exceed the Financial NEED of the student
** Total Loan cannot exceed the student COST OF ATTENDANCE for the loan period
Your educational borrowing will have an effect on your future lifestyle. You need to be aware of what your monthly loan payments will be before you commit to a loan amount. The standard loan repayment period is ten years and requires a minimum monthly payment of $50. There are other repayment plans available.

<table>
<thead>
<tr>
<th>Total Borrowed</th>
<th>Monthly Payment*</th>
<th>Total Borrowed</th>
<th>Monthly Payment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 5,000</td>
<td>$ 61.00</td>
<td>$ 31,000</td>
<td>$ 380.00</td>
</tr>
<tr>
<td>$ 10,000</td>
<td>$ 123.00</td>
<td>$ 50,000</td>
<td>$ 613.00</td>
</tr>
</tbody>
</table>

*To calculate the amount of your monthly payment based on a specific loan amount and repayment plan, use the Direct Loan website: [http://www.ed.gov/DirectLoan](http://www.ed.gov/DirectLoan)

**Frequently Asked Questions**

**What is my repayment period?**
The repayment periods for Stafford Loans vary from 10 to 30 years depending on which repayment plan you choose. When it comes to repayment you can pick a repayment plan that's right for you. You can get more information about repayment by going to the U.S. Department of Education web site [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

**When do I start paying back 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 Stafford Loans is six months.

- **Subsidized loan** - during the grace period, you don't have to pay any principal and you won't be charged interest.
- **Unsubsidized loan** - you don't have to pay any principal, but you will be charged interest. You can either pay interest as you go along or it will be capitalized later.

**How much will I have to repay and how often?**
Usually you'll pay monthly. Your repayment amount will depend on the size of your debt and the length of your repayment period. If you have a Stafford Loan, the amount you'll pay also depends on the repayment plan you choose.

**How can I check the status of my student loans?**
You should contact the holder of your loan. If you don't know who holds your loan, you can use our Web site ([www.nslds.ed.gov](http://www.nslds.ed.gov)) to find out about your federal student loans. The site displays information on loan and/or federal grant amounts, outstanding balances, loan statuses, and disbursements. To use the NSLDS Student Access Web site, you will need to provide your Social Security Number, the first two letters of your last name, your date of birth, and your PIN.

**What is the interest rate?**

<table>
<thead>
<tr>
<th></th>
<th>Subsidized Stafford Loans (Undergraduate Students)</th>
<th>Other Stafford Loans (Unsubsidized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>3.80%</td>
<td>6.80%</td>
</tr>
<tr>
<td>2013-14</td>
<td>3.86%</td>
<td>3.86%</td>
</tr>
</tbody>
</table>

**What if I can’t make my payments?**
There are two options for postponing repayment - Deferment and Forbearance. Receiving deferment or forbearance is not automatic. You must apply for it. You must continue making payments on your loan until your deferment or forbearance has been granted.

**Can I cancel my student loan if I change my mind, even if I’ve signed the promissory note agreeing to the loan’s terms?**
Yes, Your school must notify you in writing whenever it credits your account with your loan funds. You may cancel all or a portion of your loan if you inform your school within 14 days after the date your school sends you this notice, or by the first day of the payment period, whichever is later. (Your school can tell you the first day of your payment period.) If you receive your loan funds directly by check you may refuse the funds by returning the check to the school.

**Where can I go for more information?**
You may visit the financial aid office at Kingsborough community college or visit [http://web.cuny.edu/admissions/financial-aid/student-loans/direct-loans.html](http://web.cuny.edu/admissions/financial-aid/student-loans/direct-loans.html)

**Contact Info**

**Melissa Larrea**
Loan Officer

**Ellen Flaks**
Loan Office Assistant

**Claudius Christopher**
Default Manager

Office numbers: (718) 368-4644  
Office Hours: M - F  9:00AM to 5:00PM