



WILLIAM D. FORD
Direct Loan Application
Online

PROCEDURE FOR OBTAINING A DIRECT LOAN ONLINE

- 1) Fill out a 2012-2013 Free Application For Federal Student Aid (FAFSA) www.fafsa.ed.gov
- 2) The Fafsa application must be processed by our office before you could apply for a loan
- 3) Complete your Fall 2012/Spring 2013 electronic Direct Loan application at www.cuny.edu
 - Click on 'Portal Log-in'
 - 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 and Financial Aid'.
 - Click on 'CUNY'S Online Center for Admissions and Financial Aid'.
 - Click on 'Financial Aid' on the left navigation bar.
 - Go to 'Application Status' from the drop-down menu.
 - Click on 'Direct Loan Request Form'.
 - Complete and submit your Direct Loan application.
- 4) 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 you hand in the application. 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

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).
3. **Direct Plus Loans** – for parents with good credit history that want to borrow for their child's education (credit will be checked).

The amount you are eligible to borrow each academic year	*Maximum Subsidized Loan	Additional Unsubsidized Loan	**Total Loan (combined subsidized and unsubsidized)	Maximum subsidized and unsubsidized	Maximum subsidized
1st Year (Dependent Student)	\$3,500	\$2,000	\$5,500	\$31,000	\$23,000
2nd Year (Dependent Student)	\$4,500	\$2,000	\$6,500		
1st Year (Independent Student)	\$3,500	\$6,000	\$9,500	\$57,500	\$23,000
2nd Year (Independent Student)	\$4,500	\$6,000	\$10,500		

Sample Student Loan Repayment Chart

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.

Total Borrowed	Monthly Payment*	Total Borrowed	Monthly Payment*
\$ 5,000	\$ 61.00	\$ 31,000	\$ 380.00
\$ 10,000	\$ 123.00	\$ 50,000	\$ 613.00

*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>

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.

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) 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?

	Subsidized Stafford Loans (Undergraduate Students)	Other Stafford Loans (Graduate or Unsubsidized)
2009-10	5.60%	6.80%
2010-11	4.50%	6.80%
2011-12	3.40%	6.80%
2012-13	3.40%	6.80%

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>

Contact Info

Office numbers: (718) 368-4644

Office Hours:

M - F 9:00AM to 5:00PM

Melissa Larrea
Loan Officer

Ellen Flaks
Loan Office Assistant

Claudius Christopher
Default Manager