

FALL 2020 WVNCC Federal Direct Loan Application

Last day to apply is **October 30, 2020**

Important Borrower Information on Reverse ***Must complete form in Ink***

Borrower's Full Name (Last, First, MI): _____ Student ID: N _____

E-mail: _____@mail.wvncc.edu ***All correspondence from our office will be sent to your WVNCC e-mail***

1. Have you ever received a **Federal Direct Loan** at any other institution? Yes or No
➤ If yes *, Name of College and when? _____
2. What is the "Loans Total Balance" amount you have borrowed, per <https://studentaid.gov>: \$ _____ (*see bottom for instructions for viewing your loans total balance)

3. **HOW MUCH DO YOU WANT TO BORROW FOR THE FALL 2020 SEMESTER** (see reverse for loan limits)? \$ _____ (dollar value required)*
* Your loan will be processed as either subsidized or unsubsidized depending upon your eligibility. WVNCC will always consider you for subsidized loan funds first. If you are not eligible for subsidized funds and are still in need of Direct Loan funding are you willing to accept any or your entire loan in unsubsidized funds? Please **initial** next to the yes or no statement below.
____ Yes, I am willing to accept unsubsidized funds and understand that I am responsible for all interest accrued on these funds.
____ No, I am not willing to accept unsubsidized funds and understand that this decision may leave me a balance that is my responsibility to fund.

4. All borrowers must **Read** and **Initial** each statement below:
____ I understand this is a loan and it must be repaid;
____ I understand that I **must be enrolled in 6 credit hours** at the time of disbursement to receive loan funds;
____ I understand I must comply with WVNCC's Financial Aid Satisfactory Academic Progress Policy;
____ I understand **all loans come in 2 disbursements**, one at the beginning & one in the middle of the TERM selected above;
____ I understand if I am a *First Time Direct Loan Borrower*, or if it has been ten (10) years or more since I received a loan, I must electronically complete an Entrance Counseling Quiz at <https://studentaid.gov>;
____ I understand if I am a *First Time Direct Loan Borrower*, or if it has been ten (10) years since I received a loan, I must electronically complete and sign a Master Promissory Note (MPN) at <https://studentaid.gov>;
____ I understand, if I am a *First Time Direct Loan Borrower*, there is a 30-day delayed disbursement period for all first-time borrowers.
____ I have read and understand the eligibility criteria and other important information about the Federal Direct Loan Program as explained **on the 2nd page of this application**.
____ I understand if I am a *First Time Direct Loan Borrower*, my Subsidized Loan Limits are subject to new borrower regulations. They are limited to the 150% subsidized loan limit based on my degree. Subsidized interest will end on my loans if I reach my limit and do not graduate from my program.

5. My signature below certifies that I understand, in order to receive this loan, I must meet WVNCC's and Federal Direct Loan eligibility criteria. The proceeds of this loan will only be used for educational related expenses, which will be deducted from my loan proceeds before any refund is issued, during my attendance at WVNCC. **I UNDERSTAND THIS IS A FEDERAL EDUCATIONAL LOAN THAT I MUST REPAY.**

BORROWER SIGNATURE: _____ **DATE:** _____

NOTE: Notifications of Federal Direct Loan awards will be available on a Revised Award notification sent to your Northern e-mail from FinancialAidOffice@wvncc.edu. You will be instructed to view your updated Financial Aid Awards through your NOW account; all Financial Aid information is available 24/7 through the NOW Financial Aid Portal.

***OBTAINING YOUR TOTAL LOAN BALANCE:** Please access your total loan balance instructed below.

- Step 1: Go to <https://studentaid.gov>.
- Step 2: To log-in use the FSA Username and Password that was established when you completed your FAFSA online. If you do not remember your username or password click "forgot username/password." **(Be sure to keep both your FSA Username and FSA Password safe and secure)**
- Step 3: View the *My Aid Summary* screen, which lists information about all Title IV funds received including your loans total balance. Write the loans total balance as directed in question #2 above. If you have questions about this screen, call the U.S. Department of Education at 1-800-4FEDAID (1-800-433-3243).

APPLYING FOR A FEDERAL DIRECT LOAN

- Step 1: Complete a Free Application for Federal Student Aid (FAFSA) at www.FAFSA.gov
Step 2: Complete an Entrance Interview at <https://studentaid.gov> (First-Time Direct Loan Borrowers ONLY)
Step 3: Complete an online Master Promissory Note (MPN) at <https://studentaid.gov> (First-Time Direct Loan Borrowers ONLY)
Step 4: Complete a WVNCC Federal Direct Loan Application

IMPORTANT INFORMATION FOR ALL BORROWERS

1. Subsidized vs. Unsubsidized: Subsidized (sub) loans are awarded to students on the basis of financial need. The federal government pays the borrower's accrued interest while the student is in school (half-time), thereby "subsidizing" these loans. Unsubsidized (unsub) loans are not need based; the borrower is responsible for accrued interest throughout the life of the loan.
2. SEMESTER Base Loan Limits (loans are done by term but cannot exceed the annual loan limits)
Dependent Students*:
Level 1: Students who have earned less than 31 credits can borrow **\$1750** combined sub and/or unsub plus **\$1000** additional unsub
Level 2: Student who have earned 31 credits or more can borrow **\$2250** combined sub and/or unsub plus **\$1000** additional unsub
Independent Students*:
Level 1: Students who have earned less than 31 credits can borrow **\$1750** combined sub and/or unsub plus **\$3000** additional unsub
Level 2: Student who have earned 31 credits or more can borrow **\$2250** combined sub and/or unsub plus **\$3000** additional unsub

**Please keep in mind that these are limits and not necessarily the actual amounts you will be eligible for. Actual amounts will be determined once the loan request has been certified and approved. The amount of loan funds a student is able to borrow is based on the cost of attendance minus other financial aid awards. [Dependent and Independent status is determined by the Dept. of Education based on answers from your FAFSA]*
3. Students in a Certificate of Applied Science (CAS) Program are only eligible to borrow loan amounts up to **Level 1** annual limits within their eligibility as defined above.
Students in an Associate's degree program are eligible to borrow loan amounts up to **Level 2** annual limits within their eligibility as defined above.
4. **Beginning July 1, 2013** all new loan borrowers were subject to new regulations. Students may receive a subsidized loan up to 150% of the student's program of study loan limits. An AA-AS-AAS program at WVNCC may receive loans up to a maximum for 3 years of full-time enrollment or the equivalent loan limits; A CAS program may receive loans up to a maximum of 3 semesters of full-time enrollment or the equivalent loan limits. Please be advised that if you receive loans at previous institutions, those are also considered in the maximum time frame. Once a student has received direct loans for the maximum time frame of full-time enrollment, he/she will be eligible for only unsubsidized loans. In addition, any previous subsidized loans may be transitioned in to an unsubsidized loan.
5. Interest rates are as follows for loans disbursed on or after 7/1/2019 but before 7/1/2020:
Subsidized Loans 4.53% (fixed) ♦ Unsubsidized Loans 4.53% (fixed)
These interest rates are subject to change.
6. In addition to interest, you pay a loan origination fee (subject to change), a percent of the principal amount of each Direct Subsidized or Unsubsidized Loan that you receive. The fee is deducted before you receive any loan money, so the loan amount you actually receive will be less than the amount you repay. These rates are also subject to change.

Estimated Example: \$3500 loan for Fall & Spring annual limit=

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\$1750 Fall (minus) 1.059% fee = \$1732 disbursement
\$1750 Spring (minus) 1.059% fee = \$1732 disbursement
7. Direct Loans disburse (less the origination fee determined by the Federal Government at the time the loan is originated/disbursed) in two disbursements directly to the college and is credited to your account through an electronic funds transfer (EFT) process. If you are a first-time borrower, your loan cannot be disbursed until at least 30 days *after* the first day of semester. **Any outstanding charges on your student account must be paid before you are issued a refund. All refunds are issued through your BankMobile Account.**
8. A student's loan may have to be reduced if the student receives additional aid after the loan has been processed.
9. ***Your grace period will begin immediately upon graduation, if your registration status drops below 6 credits, or you leave the college; the repayment of your loans will begin 6 months later.**
10. A Loan Exit Interview is required upon graduation or when the student ceases to be enrolled for at least 6 credit hours. (<https://studentaid.gov>)