

Federal Direct Stafford Loan Request Form for 2019-20

Name: _____

G#: _____

Stafford Loan Requirements and Acknowledgements

We strongly recommend that you borrow loans conservatively and only borrow what you need to cover your direct costs at RVCC (tuition, books, fees). This will keep you from accumulating large debts and help you manage your student loan payments when you finish school.

Please read and initial each statement

- _____ 1. I have completed my 2019-20 FAFSA at www.fafsa.gov.
- _____ 2. I understand that I must enroll and maintain in 6 or more credits to qualify for a Stafford Loan.
- _____ 3. I understand that I must be making Satisfactory Academic Progress and be in good academic standing for financial aid to receive a Stafford Loan.
- _____ 4. I understand that this loan must be repaid with interest.
- _____ 5. I understand that if I withdraw from one or more classes or if I stop attending my classes, my loan may be reduced or canceled and I will owe a balance to RVCC.
- _____ 6. I understand that I may reduce my loan amount or cancel my loan any time before it disburses to RVCC.
- _____ 7. I understand that if I change my name, address, telephone number and/or Social Security Number, I must contact the Direct Loan Program or its servicer.
- _____ 8. I understand I can prepay all or part of my loan at any time without penalty.
- _____ 9. I understand that each loan has one 6 (six) month grace period.
- _____ 10. I understand my loan will be deferred as long as I am enrolled at least half time at an eligible school.
- _____ 11. I understand that if I fail to repay my Stafford loan that I will go into **Default**.
- _____ 12. I understand that if I go into **Default**, my credit rating will be damaged and will not be able to get a credit card, car loan, mortgage, etc. In addition my wages can be garnished, I may lose tax refunds, and lose eligibility to receive future financial aid.
- _____ 13. I have completed the Master Promissory Note (Loan Application) and Loan Entrance Counseling at www.studentloans.gov

Before you complete the rest of this form, make sure you complete the following documents online at www.studentloans.gov. Your loans funds will not be sent to the College unless this is done.

1. Master Promissory Note (Loan Application)
2. Entrance Counseling (Terms and Conditions)

Annual Loan Limits (Fall 2019-Summer 2020)

	If you have completed less than 30 credits	If you have completed 30 or more credits
Dependent Students	\$5,500	\$6,500
Independent Students	\$9,500	\$10,500

Please indicate the total dollar amount of your loan request:

Federal Stafford Loan \$ _____

_____ (Initial) – If I am not eligible for a Subsidized loan, I authorize the RVCC Financial Aid office to certify an Unsubsidized Stafford loan instead.

Term Requested (check one):

_____ Full Year (Fall 2019 and Spring 2020 semesters)

_____ Fall 2019 (Semester Only)

_____ Spring 2020 (Semester Only)

_____ Summer 2020 (Semester Only)

I have read and understand the terms and conditions regarding the loan programs offered and I authorize Raritan Valley Community College to certify my loan through Direct Loans on my behalf.

Student's Signature

Date

Parent PLUS Loan Request – Optional

Parents have the option to apply for a private Parent PLUS loan. This loan requires a credit check. Parent must apply for this loan online at www.studentloans.gov. This loan requires a credit check for the parent for it to be approved. After the loan is approved please submit this form indicating how much you wish to borrow and for which semesters. If the PLUS loan is denied, the student can borrow an additional \$4,000 in a Stafford loan.

Parent's Name: _____

Parent's SS#: _____

PLUS (Parent loan for undergraduate students) \$ _____

Term Requested (check one):

_____ Full Year (Fall 2019 and Spring 2020 semesters)

_____ Fall 2019 (Semester Only)

_____ Spring 2020 (Semester Only)

_____ Summer 2020 (Semester Only)

Parent's signature

Date

Things You Need to Know About Direct Loans at RVCC

What is a Direct Loan?

Direct Loans are federal loans to help you pay for your education. You borrow the money directly from the federal government. Loans must be repaid with interest. Direct loans do not require a credit check or a cosigner, and are in the student's name.

What do I need to do to be eligible for a Direct Loan?

You must complete the following requirements to be eligible:

- Complete the FAFSA at www.fafsa.gov
- Be enrolled in an eligible major or certificate
- Be enrolled half time (6 or more credits)
- Complete the RVCC Loan Request form
- Complete the Entrance Counseling and Master Promissory Note at www.studentloans.gov

What Kind of Direct Loans are there?

- **Subsidized** – There is no interest charge on subsidized loans while you are enrolled at least half time and during deferment periods. This loan does not require a credit check or co-signer.
- **Unsubsidized** – You pay the interest on this loan during all periods of enrollment. This loan does not require a credit check or co-signer.
- **PLUS** – this is a parent loan that is taken out in the student's name. It requires a credit check for the parent. If the parent's credit is denied, the student can receive an additional \$4,000 unsubsidized loan.

How much can I borrow per award year?

We strongly advise students to borrow only enough to cover their direct costs, which are tuition, books and fees. This amount will vary from student to student.

First year students can receive \$3,500 in a Subsidized Stafford Loan. In addition, dependent students can borrow an additional \$2,000 in an Unsubsidized Loan. If Dependent student's parent's applies for a PLUS loan and their credit is denied, the student can receive an additional \$4,000 unsubsidized loan.

First year Independent students can borrow \$3,500 in a subsidized loan and \$6,000 in an Unsubsidized Loan. Once a student completes 30 or more credits, they are considered a second year student and will be eligible for \$4,500 in a subsidized loan.

Subsidized Loans are considered to be need based loans. Your eligibility is determined by completing the FAFSA. You may only qualify for unsubsidized loans.

How much can I borrow overall?

There is a maximum amount that you can borrow towards your Bachelor's Degree. The aggregate limit that a dependent student can borrow is \$31,000, \$23,000 of this can be subsidized.

Independent students can borrow a total of \$57,500, \$23,000 can be subsidized.

What is the interest rate of the loan?

Direct Loans have a fixed interest rate. For current rates, please visit www.studentloans.gov.

How will I receive my loan money?

Loans are disbursed (paid out) in two payments generally 30 days after the start of the term. Prior to that we credit your account with the loan money, so you will not need to make any payments towards your bill. Once

the money comes in it will go towards your tuition, books and fees. If there is money left over, the college will send you a refund check.

When will I begin repayment of my loan?

Direct loans have a six-month grace period that starts the day after you graduate, leave school, or drop below half time enrollment. You begin repayment the day after your grace period ends. However, there is no penalty to begin paying your loans at any time, including before and during your grace period.

PLUS loans do not have a grace period. Once the loan is fully paid out, repayment on this loan begins.

How will I repay my loan?

After you receive the money from your Direct Loan, your loan servicer will contact you and provide you with a loan repayment schedule that states when your first payment is due, the number and frequency of payments, and the amount of each payment.

What is a loan servicer?

A loan servicer is a company that collects payments on your loan, and works on behalf of your lender.

What should I know about repaying my loan?

There are some different repayment options you have to repay your loan.

- Standard Repayment Plan – pay a fixed monthly payment for 10 years
- Graduated Repayment Plan – your payments start off lower and gradually increase every two years. You must repay the loan in 10 years.
- Extended Repayment Plan – you will have fixed or graduated payments for up to 25 years. To be eligible for this option, you must have more than \$30,000 in Direct Loan debt.
- Income-Contingent Repayment (ICR) Plan – Your monthly payment is adjusted each year based on your (and your spouse's) income, your family size and the total amount you owe. Payments are made for 25 years.
- Income-Based Repayment (IBR) Plans – your monthly payment is capped at an amount that is affordable based on your income and family size

What happens if I am unable to make payments?

Contact your loan servicer about options such as deferment or forbearance which may allow payments to temporarily stop or be delayed.

What happens if I default on my loan?

The consequences of defaulting on a direct loan are severe. Any or all of the following can happen:

- Damages your credit rating which will reduce your ability to get a credit card, car loan or mortgage.
- Lose future ability to receive any financial aid
- Lose any tax refunds you may be owed
- Have your wages garnished by the federal government
- Your debt may be increased by late fees, court costs, collection fees, attorney fees

Going into default is the last thing you want to have happen. It is very important you contact your loan servicer if you are having issues paying your loan, or if you change your phone number or address.

You can always view your loan history, loan servicer info online at www.nslds.gov.

Annual Stafford Loan Borrowing Limits for Dependent Students

	Subsidized Loan	Unsubsidized Loan	Total	<i>Additional Unsubsidized Loan*</i>
Less than 29 credits completed towards Degree	\$3,500	\$2,000	\$5,500	\$4,000*
More than 30 credits completed towards Degree	\$4,500	\$2,000	\$6,500	\$4,000*

*To be eligible for the additional Unsubsidized loan, the student's parent must apply for a parent PLUS loan at www.studentloans.gov, and be denied. If the PLUS loan is approved, the student is not eligible for the additional unsubsidized loan.

Aggregate Stafford Loan Borrowing Limits for Dependent Students

Subsidized	Unsubsidized	Total
\$23,000	\$8,000	\$31,000

This is the total amount a Dependent student can borrow for up to a Bachelor's degree.

Annual Stafford Loan Borrowing Limits for Independent Students

	Subsidized Loan	Unsubsidized Loan	Total
Less than 29 credits completed towards Degree	\$3,500	\$6,000	\$9,500
More than 30 credits completed towards Degree	\$4,500	\$6,000	\$10,500

Aggregate Stafford Loan Borrowing Limits for Independent Students

Subsidized	Unsubsidized	Total
\$23,000	\$34,500	\$57,500

This is the total amount an Independent student can borrow for up to a Bachelor's degree.