



Federal Direct Loan Information

Important Information for Borrowers keep this page for your records

Five Fast Steps for a Federal Direct Student Loan:

1. Complete the **FAFSA** for the 2014-2015 aid year. www.FAFSA.ed.gov
2. Complete a **NGTC Loan Request Form** & return in person or mail to a NGTC Financial Aid Office.
3. Complete **Entrance Counseling** for Direct Loans. www.studentloans.gov
4. Sign a **Master Promissory Note (MPN)** for Direct Loans. www.studentloans.gov
5. Sign and Return the **Direct Loan Award Acceptance Letter** to a NGTC Financial Aid Office.

What happens once I submit my loan application?

Once you have completed all the steps necessary for your student loan and are determined eligible, the financial aid office will process your student loan and submit the certification to the Department of Education electronically.

- **It takes from 4-6 weeks to process each loan application.**
- After the loan has been processed by NGTC, a loan award acceptance letter will be mailed to you.
- If you are not eligible for a student loan or we have a problem processing your loan application, you will receive a denial letter.
- The Department of Education will send you a Disclosure Statement explaining the interest rate, fees, and disbursement dates of your loan. This statement will be sent to your email address or mailing address depending on which methods you selected at www.studentloans.gov when completing your Master Promissory Note. Please note the dates on the disclosure statement are not the dates the money is wired to the college.
- After we receive the wire transfer of your loan money, North Georgia Technical College will verify that you are **still enrolled** in at least 6 credit hours. If you are still eligible, we will post the money to your account.
- Funds are disbursed approximately one month after the first day of each semester. All refunds will be loaded onto a SunTrust Bank Debit Card, unless students make other arrangements with the Business Office. **It is extremely important that you keep your most current address on file with NGTC.**

Please note:

- Your financial aid award cannot exceed your cost of attendance at North Georgia Technical College. Your cost of attendance varies depending on whether you're an independent student or dependent student.
- You may not be eligible for the full amount you request on your application, but we will award as close to that amount as possible.
- Loan funds can impact your work study eligibility.
- Loan funds for Freshmen First-Time Borrowers will not be disbursed to your student account until the 30th day of the semester.
- You may use loan funds to hold your classes; however if you withdraw prior to 30 days completion, the loan has to be cancelled and you will be responsible for any incurred expenses not covered by other aid.
- If you have less than 30 earned semester hours in your current major you are considered to be in your 1st year or a freshman.
- Your loan amount is subject to change if any of your current award information changes.
- Please note that if you go on financial aid suspension or drop below half-time enrollment (6 credit hours) during your student loan period, your student loan will be cancelled for that period. You will owe for any funds you receive even if you do not receive the entire student loan.

Be Conservative, this is not a grant; loan money must be repaid with interest.

We encourage you to borrow only what you need!!

Loan Types

- **Subsidized Direct Student Loan** - A Subsidized Direct Student Loan is a need based loan, which means that you may be eligible to receive it based on your financial need. The federal government pays the interest on this loan while you are in school and during eligible deferment periods. You are responsible for paying the interest accrued during your grace period.
- **Unsubsidized Direct Student Loan** - An Unsubsidized Direct Student Loan is a non-need based loan, which means the amount that you may be eligible to borrow is not based on your financial need. If you receive an Unsubsidized Direct Student Loan, you will be responsible for paying the interest on the loan since the date of origination.

Entrance Counseling

The Department of Education and NGTC require that all Federal Student Loan borrowers complete Student Loan Entrance Counseling. This can be completed at www.studentloans.gov.

Master Promissory Note

All Federal Student Loan Borrowers are required to complete a Master Promissory Note (MPN). The MPN is a legal and binding document between the student and the Department of Education. By signing the MPN, the student promises to pay back all student loans upon completion, withdrawal, or dropping below half-time status plus the interest that has accrued. This can be completed at www.studentloans.gov.

Loan Disbursement

Once the MPN has been signed and the loan has been guaranteed by the Department of Education, the proceeds of your Federal Student Loan will be sent to NGTC. The student will receive a Loan Guarantee and Disclosure Statement outlining the disbursement schedule, as determined by the school.

Exit Counseling

The federal government requires a student loan borrower to complete Exit Counseling before they graduate, cease to be enrolled for at least 6 credit hours, or leave school. **NGTC will notify you, if you are required to complete Exit Counseling.** This can be completed at www.studentloans.gov.

Interest Rate

Interest accrues on all Federal Direct Student Loans during grace, forbearance, and deferment periods.

- Subsidized Direct Student Loan – interest rate is fixed at 3.4%
- Unsubsidized Direct Student Loan - interest rate is fixed at 6.8% for all borrowers

Federal Direct Loan Limits

Year	Dependent	Independent
Freshman	\$5,500 (no more than \$3,500 in subsidized)	\$9,500 (no more than \$3,500 in subsidized)
Sophomore	\$6,500 (no more than \$4,500 in subsidized)	\$10,500 (no more than \$4,500 in subsidized)

Repayment

Repayment begins six months after you graduate, cease to be enrolled for at least 6 credit hours or withdraw from all coursework. During your grace period, you will receive information from your loan servicer, and you will be notified of your first payment due date. Monthly payments are required.

Obtaining Loan Repayment Information

The U.S. Department of Education's National Student Loan Data System (NSLDS) provides information on your Federal Student Loans such as: loan types, disbursement amounts, outstanding principal and interest amounts, and the total amount of your student loans. To view this, visit www.nsls.ed.gov.

Non-payment of Student Loans

Failure to repay your student loans without contacting your lender can cause your loan to become delinquent. If your account is in a delinquent status for 270 days, your student loan is placed in a default status. Once your loan is placed in a default status, you will not be eligible for Federal Title IV Aid until a default resolution has been reached with the lender. You will also not be eligible for State Aid Programs, until the defaulted loans have been paid in full.

Defaulted Student Loans

Defaulted Student Loans can affect you in the following ways:

- You can be sued for your balance, plus court costs and attorney fees.
- Your credit rating will be damaged.
- Your income tax refund could be intercepted to pay your student loan debt.
- 15% of your wages could be garnished and used to repay your student loan debt.
- Your account can be turned over to a collection agency and collection charges added.
- You cannot receive future financial aid until your default situation is resolved.
- You can be denied assistance from other federal benefit programs.
- You will be ineligible for deferments.
- You could be denied state grants, scholarships, and loans.



2014-2015 Direct Loan Request Form

Complete, print, and sign this form using blue or black ink:

- Return in person or mail to NGTC Financial Aid Office, PO Box 65, Clarkesville, GA 30523
- A faxed or emailed copy will not be accepted.

BORROWER INFORMATION

Last Name _____ First Name _____ MI _____
Student ID # _____ Social Security # _____ DOB _____
Address _____
City _____ State _____ Zip Code _____
Phone #s _____ Email _____

Do you plan to stay in campus housing? Yes _____ No _____
Are you a legal resident of Georgia? Yes _____ No _____
How long have you lived in Georgia? Month _____ Day _____ Year _____

ADDITIONAL CONTACT INFORMATION

List **two** persons with different U.S. addresses who have known you for at least three years. The first contact should be a parent or legal guardian.

Name	1 _____	2 _____
Permanent Street Address	_____	_____
City, State, Zip Code	_____	_____
Area Code, Telephone #	_____	_____
Relationship to Borrower	_____	_____

LOAN AMOUNT

2014-2015 Requested Loan Amount \$ _____ **Please be conservative, you must pay this back!**

You may not be eligible for the full amount requested. The FAO must determine your eligibility based on your cost of attendance and any additional financial aid awards you are scheduled to receive including, but not limited to, scholarships, & WIA.

AUTHORIZATION

I authorize North Georgia Technical College to process my Federal Direct Loan request and withhold any tuition, fees and other authorized charges from these funds. I understand that this is a loan and must be repaid. I can cancel this loan before the 14th day of the semester. I also understand this money is for educational purposes only. This Loan Request Form authorizes the Financial Aid Office to electronically transmit the necessary data to process this loan. I know that I must be enrolled at least half-time (6 credit hours or more) and meet Satisfactory Academic Progress (SAP), as defined by the NGTC catalog, to remain eligible for my loan.

Signature of Borrower _____ Date _____



Borrower's Rights and Responsibilities

Borrower's Name: _____ Date: _____

As a Student Loan Borrower, I understand I have the right to:

- Written information on my loan obligations and information on my rights and responsibilities as a borrower.
- A copy of my MPN either before or at the time my loan is disbursed.
- Six-month grace period and an explanation of what that means.
- Notification, if I am in my grace period or repayment, no later than 45 days after a lender assigns, sells, or transfers my loan to another lender.
- A disclosure statement, received before I begin to repay my loan that includes information about interest rates, fees, the balance that I owe and a loan repayment schedule.
- Deferment or forbearance of repayment for a certain period, if I qualify and request it.
- Repayment of my loan in whole or in part anytime without an early repayment penalty.
- Documentation that my loan is paid in full.

I understand I am responsible for:

- **Notifying the Financial Aid Office, if I receive any additional aid.** This includes, but is not limited to, scholarships, WIA, gifts, campus jobs, club awards, etc.
- Completing exit counseling before I leave school or drop below half-time enrollment status.
- Repaying my loan according to my repayment schedule even if I do not complete my academic program, or I am unable to find employment after I graduate.
- Making Monthly Payments on my loan, unless I have a deferment or forbearance.
- Notifying my lender or loan servicer of anything that might alter my eligibility for an existing forbearance or deferment.
- Notifying my lender or loan servicer if I:
 - Change my address, phone number, name, or SSN
 - Change employer or my employers information change

AKNOWLEDGEMENT

I have read and understand the Borrower's Rights and Responsibilities for Direct Loan Borrowers. I understand that a Direct Loan is not a grant and that I am responsible for paying the loan back to the federal government.

Signature of Borrower _____ Date _____

NGTC OFFICE USE ONLY

Eligible Prgm Yes / No	SAP Yes / No	Year in School	Hrs. Enrolled
NSLDS Loan Debt	30 Day Delay Yes / No	E.C. Yes / No	MPN Yes / No
COA: \$ _____	- EFC: \$ _____	-EFA: \$ _____	-WS: \$ _____ -R: \$ _____ =Need: \$ _____
App Sub \$ _____	/ Unsub \$ _____	FAA Initials:	Date