

William D. Ford Direct Loan Program (effective 2016-2017)

Students who complete the **Free Application for Federal Student Aid (FAFSA)**, and provide all required documents to the Office of Student Financial Services, will have their eligibility for Federal and State grants and scholarships determined first. Grants and scholarships are financial aid that is free and are a much better option than financial aid loans (which must be **repaid with interest** when you are no longer attending school on at least a half time basis).

Eligible students who are not eligible for any grants, or if the amount of grant money awarded is not sufficient to cover the full cost of education at Forsyth Tech, will **AUTOMATICALLY** be offered a William D. Ford Federal Direct Loan. The amount offered is the maximum amount a student would be able to borrow for the Fall and Spring semesters. Students who want to borrow for a different time period (i.e. Spring and Summer terms, or Summer term only) may be awarded a different amount.

Students wishing to accept all or a portion of the Direct Loan they have been offered **must** complete a 'Direct Loan Acceptance' form, and indicate the amount and the semesters for which they wish to borrow. After the form is processed by the Office of Student Financial Services, the amount will appear in an 'Accepted' status on the financial aid award letter on TechLink.

Students who do not wish to borrow any funds from the Direct Loan offered ***do not need to do anything additional***. The offered loan will remain 'available' until the term/year is over, but will not be sent to the Department of Education for approval unless the 'Direct Loan Acceptance' form is submitted.

In order for a Direct Loan to be available to defer payment of tuition and fees, buy books and supplies in the Bookstore, or to be disbursed to the student account at Forsyth Tech, students must complete Entrance Counseling and a Direct Loan Master Promissory Note (MPN). Both of these requirements are completed at www.StudentLoans.gov. Entrance Counseling only needs to be completed once during an undergraduate college career; a MPN must be completed every 10 years (or sooner if the Department of Education requires it). Students who have completed one or both of these requirements in the past, for a loan at Forsyth Tech or any other school in the U.S., do not need to complete them again. Students who have accepted their Direct Loan awards and are missing one or both of these requirements will be sent email communications reminding them that they will not be able to use or receive their Direct Loan funds until these requirements are complete. Contact the Student Loan Support Center at 800-557-7394 with questions or problems completing the Entrance Counseling or Master Promissory Note on the www.StudentLoans.gov website.

Loans are awarded in equal amounts per term. If a loan is awarded for a single semester during the academic year (i.e. summer term only), the loan amount will be disbursed in two separate disbursements – one in the first half of the term, the other during the second half of the term. Enrollment in courses that begin after the first day of the term may affect when a loan is disbursed to the student account.

Students who drop below half-time enrollment, leave Forsyth Tech, or graduate from their program of study must complete **Exit Counseling** at www.StudentLoans.gov.

Remember to borrow wisely. Never borrow more than you can afford to repay, even if you are eligible to borrow more. Use a budget calculator to help you determine how much you really need to pay for your education. We strongly encourage you to complete Financial Awareness Counseling at www.StudentLoans.gov to assist you in managing your finances and determining how much you can afford to borrow.

Direct Loan FAQ

- 1. Can I get a loan if I don't qualify for any grants or if I or my parents made too much money last year? Yes.** The Direct Loan for students has both a Subsidized and Unsubsidized component. The Subsidized loan is available to students who demonstrate financial need, as determined by the FAFSA and the Office of Student Financial Services. The Unsubsidized loan is available to students regardless of financial need. The Parent PLUS loan is available to the parents of dependent students regardless of financial need.
- 2. Do I have to be enrolled full-time to receive a loan? Can I get a loan for any program or coursework? No to both.** To be eligible for a Direct Loan, you need to be enrolled and attending at least half-time (6 credits hours at Forsyth Tech) in an eligible program of study. And the courses you are enrolled in must be required to complete your program of study. Please refer to the 2016-2017 Guide to Financial Aid at Forsyth Tech for more information on program and course eligibility.
- 3. My grades aren't great; can I still get a loan? Maybe.** Direct Loan eligibility is subject to the same Satisfactory Academic Progress (SAP) requirements as other Federal Student Aid. Your SAP status is reviewed every semester, and if it is determined you are not meeting requirements, your loan award may be canceled. Please refer to the 2016-2017 Guide to Financial Aid at Forsyth Tech for more information on our Satisfactory Academic Progress policy.
- 4. How much can I borrow? It varies.** The amount of your loan award depends on your dependency status, how many credit hours you have completed, other aid awarded, cost of attendance for the period of enrollment and other factors. A dependent student who has completed fewer than 33 credit hours can borrow a maximum of \$5500 per year. An independent student who has completed fewer than 33 credit hours can borrow a maximum of \$9500 per year. These are maximum amounts; your individual award amount could be less.
- 5. I don't need the full amount offered/awarded to me. Can I reduce or cancel any portion of the loan? Yes.** Until the loan is disbursed, you may use the *Reduce or Cancel Loan Amount* form on our website to change the amount of your loan. Once disbursed, you can send any unwanted funds to your loan servicer within 120 days to cancel that portion of your loan.
- 6. Do I have to make payments on the loan while I am in school? No.** Payments on Subsidized/Unsubsidized Direct loans are deferred while you are enrolled at least half-time and for six months after you drop below half-time. However, interest will be charged on the Unsubsidized loan, and you may choose to pay it rather than capitalize the interest while you are in school. Payments on a Parent PLUS loan begins as soon as the loan is fully disbursed, but may be deferred while the student is enrolled at least half-time. Interest is charged on the Parent PLUS during all periods.
- 7. Do I have to pay my loan back if I don't graduate or if I don't get a job in my field? Yes.** By signing the Master Promissory Note, you are promising to repay the Federal Government the full amount of the loan disbursed plus any interest or fees.