Financial Aid/Veterans' Affairs Office
PO Box 35009
Charlotte, NC 28235-5009
Telephone: (704) 330-6942
Fax: (704) 330-5053

William D. Ford Federal Direct Loan Program

Beginning with awards made for the fall 2011 semester, Central Piedmont Community College (CPCC) participates in the William D. Ford Federal Stafford Direct Loan Program. Under this program, students borrow money from the federal government to pay for their college costs. The U.S. Department of Education makes the loans, through the College, directly to the students. The College will use the student's Direct Loan to pay college charges and will give the student any remaining money for other educational expenses. Direct Loans are low-interest loans for students and parents to help pay for the cost of a student's education after high school. For more detailed information on the Direct Loan program, please visit www.studentloans.gov.

If you would like to be processed for a student loan, you must read this form and complete ALL of the steps listed.

- The Direct Loan is a loan and must be repaid.
- You must be enrolled for at least 6 credits per term throughout the entire loan period.
- All borrowers must complete an on-line Entrance Counseling Quiz.
- You are required to electronically complete and sign your Master Promissory Note (MPN).
- There is a 30-day delayed disbursement period (30 days after the start of the first semester) for all first-time borrowers at CPCC.

Applying for Direct Loans

Step 1— Apply for Financial Aid at www.fafsa.ed.gov. The information on your FAFSA is transmitted to CPCC, and we will use the information to assess your financial need. CPCC will award your financial aid.

Step 2— Complete Direct Loan Entrance Counseling. Go to www.studentloans.gov and click on "Entrance Counseling". Follow the counseling session links until you complete a quiz. Once the quiz is completed, you must sign in using your PIN (the same PIN used to complete the FAFSA). Entrance counseling must be completed for all Direct Loan borrowers. You must complete entrance counseling before your school can make the first disbursement of your Direct loan. If you need help completing this step, please call (704) 330-6942.

Step 3— Complete a Direct Loan Master Promissory Note. Go to www.studentloans.gov. The Master Promissory Note (MPN) must be completed to take out a Direct Loan for the first time. To complete an MPN online, you will be required to use your Department of Education-issued PIN that you used for the FAFSA. Even if you've had a loan at CPCC before, you must complete a new (MPN). You can complete the MPN online at the Direct Loans MPN website. The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department. It also explains the terms and conditions of your loan(s). In most cases, once you've submitted the MPN and it's been accepted, you won't have to fill out a new MPN for future loans you receive. If you need help completing this step, please call (704) 330-6942. Paper Option: If you do not wish to sign your MPN with your PIN, you may print a paper copy of an MPN from the CPCC website and mail it to the Direct Loan Servicing Center. Using the paper option may delay the processing of your loan application.

Step 4— Complete the Direct Loan Application (attached). CPCC will then include Direct Loans as part of your aid package to help you pay the costs of going to college. At CPCC, we take our obligation to provide applicants with information about borrowing a student loan seriously. Applicants are educated about borrowing a loan and are expected to read all the materials and borrow wisely. This is a loan and must be paid back. The loan is to be used for education-related expenses at CPCC.

Direct Loan Eligibility

Students must be fully admitted to CPCC (submitted all required documentation including transcripts, immunization records, and placement test scores) and be seeking a degree offered at CPCC. To be eligible for a Federal Direct Loan a student must:

1. Be a U.S. citizen or permanent resident alien;
2. Be taking at least six credit hours and be matriculated in a degree or certificate program;
3. Not owe any refunds on a Pell Grant or other awards received and not be in default on repayment on any type of student loan.

Direct Loan Eligibility (Continued)

Completing the Federal Direct Loan application and submitting it to the Financial Aid Office does not guarantee eligibility. Applicants must meet all federal aid eligibility requirements. Eligibility includes, but is not limited to completing the Free

Financial Aid/Veterans' Affairs Office
PO Box 35009
Charlotte, NC 28235-5009
Telephone: (704) 330-6942
Fax: (704) 330-5053

Application for Federal Student Aid (FAFSA), completing entrance counseling, completing and signing a Master Promissory Note (MPN) and submitting the Direct Loan application.

By signing the loan request, applicants agree to all of the terms and conditions for the Federal Direct Student loan. Eligibility requires the applicant to maintain **at least half-time enrollment throughout** the period of the loan and notify CPCC or the Federal Direct Loan Servicing center of any changes in status such as name, address, enrollment status, and change of schools. Borrowing the low-interest, Federal Direct Loan is a privilege. Even though it is a loan, CPCC reserves the right to refuse to certify a loan application for high-risk borrowers. Such conditions include, but are not limited to, having a previous default on a federal student loan, notification of previously discharged federal student loans due to disability or bankruptcy, notification of delinquent federal student loan repayment status, instances of inconsistent, fraudulent FAFSA, or admissions application information, or applicants with loan indebtedness in excess of the maximum for two-year public institutions. Loan certification requires all applicants to maintain good academic standing according to the Satisfactory Academic Progress Policy.

Before Accepting a Student Loan

Explore scholarships, grants, and Federal Work-Study opportunities at CPCC. Budget your own resources to live more economically. Borrow only what you need. Loans must be paid back even if you don't graduate, transfer or are unhappy with your education or training or are unable to obtain employment. Avoid default at all costs. If you run into financial problems with your repayment schedule, contact the Direct Loan Servicing Center at (800) 848-0979. There may be solutions that can keep you on track and protect your credit rating. Visit the Direct Loan Servicing Center at www.studentloans.gov for tips on managing loan debt.

At CPCC, we will always process a subsidized loan first. Repayment of principal and interest on the loan will begin six (6) months after the student ceases enrollment as at least a half-time student (6 credit hours or more). The Direct Loan amount you request may not be the amount you are eligible to receive. While the loans are not based on your ability to repay, in some cases, the applicant must demonstrate financial need or may only be eligible to borrow enough to pay for tuition, fees and books. CPCC determines the amount of eligibility based on the student's grade level at the time of certification. CPCC cannot and will not certify a loan that is not requested (and will not automatically modify the loan request without written notification from the borrower.)

There are three types of Direct Loans:

1. Federal Direct Subsidized Stafford Loans - These are based on financial need. The government will pay the interest on the loan while the student is in school.
2. Federal Direct Unsubsidized Stafford Loans - Students get Federal Direct Unsubsidized Stafford Loans regardless of need, but will have to pay all interest charges.
3. Federal Direct PLUS Loans (Parent Loans for Undergraduate Students) - Parents of dependent students can borrow a Federal Direct PLUS Loan to help pay for their child's education.

How Much Should I Borrow?

The majority of college students will require student loans to help meet their educational expenses, and the average college graduate has over $25,000 in student loan debt. This amount of debt can have a significant impact on the student life style after college. The question of how much to borrow needs to be very carefully considered by the student. The following are some guidelines for the student:

- Do Not Over Borrow! Borrow only what you need for your current school year educational expenses. If your expenses increase later, you can always request a second loan application up to your maximum eligibility.
- Consider how much you will need to borrow to meet all of your educational goals, whether it be an associates, bachelors, masters degree, or beyond.
- Consider what your monthly payments will be on the loan when it comes time to repay the loan.
- Consider what other expenses you will have after graduation? (e.g. Housing, food, transportation, insurance, credit cards, car payments, etc.)
- Consider what the average starting salary is for the career field you plan to enter when you complete your college education.
- Resist the temptation to use your student loans for other things beyond your immediate educational expenses.

Financial Aid/Veterans' Affairs Office
PO Box 35009
Charlotte, NC 28235-5009
Telephone: (704) 330-6942
Fax: (704) 330-5053

Cancellation of Student Loan

All recipients of federal student loans are eligible to cancel all or part of federal student loan disbursements within 30 days from the receipt of notification that funds were disbursed. Notification to cancel funds must be submitted in writing, including the signature of the borrower to the financial aid office.

Direct Loan Disbursement

Direct Loan funds are disbursed in two payments during each individual borrower's eligible enrollment period. Students who are attending the fall and spring terms will receive half of the annual award in the fall and the other half in the spring. Similarly, if a student is enrolled in only the fall semester, the loan must be paid in equal disbursements—once at the beginning of the term and again at the mid-point of the semester. Estimated disbursement dates for loans are specific to each borrower and are listed on the borrower's loan disclosure statement. Loan disbursements are paid within 14 days from the estimated disbursement date listed on the loan disclosure statement.

Important—First-time borrowers will not receive their first loan disbursement until at least 30 days after the start date of their first semester in college.

Student Loan Repayment

Detailed information on repaying student loans can be obtained from the U.S. Department of Education web site at http://studentaid.ed.gov/PORTALSWebApp/students/english/repaying.jsp?tab=repaying. The U.S. Department of Education also offers a repayment calculator that can be useful for students to estimate what their monthly loan repayment amounts may be. http://studentaid.ed.gov/PORTALSWebApp/students/english/OtherFormsOfRepay.jsp.

Loan Consolidation

Students who have previously borrowed FFELP student loans through a lending institution and who are now borrowing a Federal Direct Loan are encouraged to consolidate all of their student loans into one Federal Direct Consolidation Loan. This will help the borrower avoid the situation of owing two separate loans to two different lenders. Borrowers who are interested in consolidation of all their student loans into one Consolidation Loan can contact the U.S. Department of Education for more information at http://loanconsolidation.ed.gov.

Loan Limits

LOAN LIMITS for the academic year
1st year (32 or less credit hours) students: $3500 Subsidized
2nd year (33 or more credit hours) students: $4500 Subsidized

Dependent Students may borrow an additional $2000 Unsubsidized Loan if eligible
Independent Students may borrow an additional $6000 Unsubsidized Loan if eligible

Financial Aid/Veterans' Affairs Office
PO Box 35009
Charlotte, NC 28235-5009
Telephone: (704) 330-6942
Fax: (704) 330-5053

CPCC Direct Student Loan Request Form

Borrower's Legal Name: _____

Student ID Number: _____ Date of Birth: _____

Phone: _____ Email: _____

Driver's License Number (required): _____ State Issued: _____

Have you ever borrowed an educational loan at CPCC or any other institution? ☐ Yes ☐ No

Have you ever been in default on an educational loan? ☐ Yes ☐ No

Have you ever had an educational loan be cancelled due to permanent and total disability? ☐ Yes ☐ No

Have you attended any other college or university during the 2012/2013 academic year? ☐ Yes ☐ No

How much do you want to borrow for the 2012-2013 academic year (see loan limits)? _____

STEP 1: Select loan period. Requested amounts MUST be divided into two equal payments for each certification.

☐ **FALL/SPRING** ☐ **SPRING ONLY** ☐ **SPRING/SUMMER** ☐ **SUMMER ONLY**

If you do not have sufficient financial need to cover the full amount you requested (or are eligible to receive) in a Subsidized loan, do you want the balance in an Unsubsidized loan? ☐ Yes ☐ No

Borrower Certification

The information contained on this sheet is true and correct to the best of my knowledge. I understand that I am requesting a loan that MUST BE REPAID, including any fees, interest, late and/or collection costs. I also understand all of the terms and conditions for this loan (read previous pages) and that I must participate in Entrance and Exit Loan Counseling. I understand that I must complete a master promissory note in order to receive loan funds. I am informed that CPCC is required to pay loan money in at least two disbursements. (For example, the first disbursement may be at the beginning of the award period and the second disbursement will be available at the midpoint of the academic period.) I understand that first-time borrowers must wait at least 30 days after the start of a semester to receive loan funds. I understand that loan funds will be credited toward any charges on my student account (tuition, fees and books). If the loan money exceeds the school charges, the school will pay the credit balance by check, assuming all requirements are completed. I understand that this loan will be processed as either subsidized or unsubsidized depending upon financial aid eligibility. I understand that CPCC will always consider eligibility for subsidized loan funds first.

My signature on this form provides CPCC authorization to apply loan funds to my account to pay for current year charges and I acknowledge that I have read, understand, and agree to the terms and conditions regarding the receipt of and required repayment of these funds, the Satisfactory Academic Progress, and other applicable policies.

Signature: _____ Date Signed: _____