

UACCB Direct Student Loan Information

UACCB now participates in the William D. Ford Direct Loan program. **Beginning with awards made for the fall 2010 semester, all student loans will be processed as Direct Loans.** Direct Loans are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education rather than a bank or other financial institution. 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 for all first-time borrowers at UACCB.
- All loan funds are distributed in two disbursements per semester.

Applying for Direct Loans

Step 1—Apply for Financial Aid at www.fafsa.ed.gov. You apply for Direct Loans by filling out the Free Application for Federal Student Aid (FAFSA). The information on your FAFSA is transmitted to UACCB, and we will use the information to assess your financial need. UACCB will award your financial aid, including Direct Loans as part of your aid package to help you pay the costs of going to college. At UACCB, 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 educational-related expenses at UACCB.**

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). Be sure to send your counseling session to UACCB as instructed. 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 (870) 612-2015.

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. 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 (870) 612-2015.

Step 4—Create a Personal Family Budget. Go to <http://www.uaccb.edu/student-loans.html> and select Current Student Budget. Please print a copy.

Step 5—Free Scholarship Search. Go to either www.fastweb.com or www.scholarships.com and create an account. Please print a copy of your profile.

Step 6—Schedule One-on-One counseling appointment in the Financial Aid office. Please bring your budget from Step 4 and your profile from Step 5 with you to your appointment.

Step 7—Accept your award in WebAdvisor. Your student loan funds will not be transmitted to your student account until you have accepted the award.

About Direct Loans

Direct loans are issued by the federal government. The loan is serviced by the Federal Direct Loan Servicing Center (www.studentloans.gov). There are no banks or lending institutions. There are two types of Direct Student Loans: Subsidized loans are interest free while in school as a half-time student. Unsubsidized loans are not interest free. Interest is being charged while you are in school. At UACCB, 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.** UACCB determines the amount of eligibility based on the student's grade level at the time of certification. UACCB 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.)

UACCB Direct Student Loan Information

Entrance/Exit Counseling

Federal laws require all borrowers to participate in student loan Entrance Counseling. The counseling explains the terms and conditions for the loan. It also provides borrowers with information about the various Direct Loan repayment options. You will also be required to complete in-house Entrance Counseling for any loan funds that exceed your direct costs (tuition, fees, books, etc.). Exit Counseling is performed at the end of the term. Borrowers must complete Exit Counseling before leaving UACCB. This counseling session explains what will occur before and after loan repayment. Entrance and Exit Counseling occur on-line at www.studentloans.gov. The multiple choice questions and answers must be completed. Applicants may request an appointment for in-person help with the online counseling (Entrance and/or Exit).

Direct Loan Eligibility

Students must be fully admitted to UACCB (submitted all required documentation including transcripts, immunization records, and placement test scores) and be seeking a degree offered at UACCB.

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 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 UACCB 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, UACCB 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 UACCB. 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.

UACCB Direct Student Loan Application

Name : _____ SSN or Student: _____
First M.I. Last

Requested Loan Amount: \$ _____ Subsidized \$ _____ Unsubsidized

There are two types of Direct Student Loans: Subsidized loans are interest free while in school as a half-time student. Unsubsidized loans are not interest free. Interest is being charged while you are in school. At UACCB, we will always process a subsidized loan first.

Loan Limits:

Freshman Loan (0-30 hours completed): \$3,500.00 per year (with up to an additional \$6,000 in unsubsidized loan funds based on eligibility)

Sophomore Loan (31+ hours completed): \$4,500 per year (with up to an additional \$6,000 in unsubsidized loan funds based on eligibility)

***For the 2011-12 school year Direct Student Loans at UACCB will be awarded based **only** on direct costs. Direct costs are those items **directly** related to completing your education at UACCB (tuition, fees, books, classroom supplies, etc.) If you would like to request additional loan funds, you will be required to submit a personal budget detailing how the remaining funds will be spent as well as how your monthly student loan payments will fit into your budget after you graduate from UACCB. In addition you must complete a one-on-one entrance interview that includes debt management counseling. Please remember that all Federal, state and institutional funds are to be used toward educational expenses.

Current Address:

Street _____ Apt. No. _____

City _____ State _____ Zip Code _____

Telephone _____ Date of Birth _____

Email _____ Drivers License _____ DL State _____

Expected date of graduation/completion at UACCB _____

Borrower Request and 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 REPAYED**, including any fees, interest, late and/or collection costs. I also understand all of the terms and conditions for this loan 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 UACCB is required to pay loan money in at least two disbursements per semester. 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 UACCB will always consider eligibility for subsidized loan funds first.

My signature below authorizes UACCB to credit all financial aid funds to my account to pay any institutional costs I incur as a UACCB student. Further, my signature authorizes UACCB to use Pell grants, student loan funds or any other student aid to pay for tuition, fees and/or textbooks (If you check No, you must pay UACCB charges with personal funds.)

Signature _____ Date _____

RETURN THIS FORM TO THE FINANCIAL AID OFFICE OR FAX TO (870) 612-2129