2020-21 FEDERAL DIRECT STAFFORD LOAN INFORMATION
For non-degree seeking transfer students

Direct Stafford Loans are low-interest loans for students to help pay the cost of a student's education. The lender is the U.S. Department of Education (DOE) rather than a bank or other financial institution. We cannot process a student loan until our office has received a 2020-21 Free Application for Federal Student Aid (FAFSA), and all required loan paperwork for the 2020-21 academic year. All students must submit the FAFSA and the required loan paperwork to the financial aid office for each academic year they are requesting loans.

BEFORE YOU COMPLETE THE WORKSHEET

There are a few things to consider:

1. Remember, you are required to begin making payments on this loan within 6 months after you stop attending school.

2. Although this is a student loan and is subject to federal financial aid rules, it is a loan just like any other type of bank loan in terms of the consequences that can occur, if you fail to repay the loan:
    - The Department of Education will report to nationwide consumer reporting agencies that you have failed to make payments, making it harder to get a loan for a car or a home. This will damage your credit history for a minimum of 7 years.
    - You may be turned down for jobs, an apartment, or a mortgage due to a poor credit history.
    - The Department of Education can seize your federal and/or state income tax return and apply to your loans.
    - The Department of Education may require your employer to garnish your wages to pay your student loan.
    - You might receive calls from collection agencies at home or work and you'll be assessed significant collection fees.
    - You will be ineligible for future loan deferments.
    - You will be ineligible for financial aid at all colleges nationwide.
    - The Department of Education may pursue legal action against you in a court of law.
    - If you have a professional license from a state agency, it may not be renewed.
    - LCC will withhold your transcript from you until you show proof of satisfactory arrangements to repay your debt.

3. Before you borrow, consid*er* alternative forms of financial aid available to you such as scholarships and student employment. Receiving additional aid will lessen the amount you need to borrow. Visit the Career and Employment Center, located in the Admissions Center for information on student employment. Go to lowercolumbia.edu and visit the financial aid office for information on scholarships.

4. Visit the Career and Employment Center to seek information regarding your chosen career concerning the number of jobs available in the field and the minimum and maximum amount you can expect to earn in the field. Career fields with few jobs and low earnings will decrease your ability to repay your student loans.

5. If you plan to transfer to a four year university you will be borrowing much more in the future. Consider ways in which you can borrow less now so that when you graduate from the four year school you will be leaving with much smaller debt to pay back.

6. Only borrow the amount of money you truly need. Remember wants and needs are two entirely separate things. The less you borrow now, the less you will have to pay back later. A good rule of thumb is to only borrow the amount you need to cover tuition, fees, books, and supplies. Example of what your payment would look like:

    a. If you borrowed $20,000 over 2 years, at 5.05% interest, your payment will be approximately $215 each month, for 10 years, and you will pay back $25,515 with interest. Total interest $5,515.
    b. If you borrowed just enough to cover tuition, fees, books and supplies, approximately $6,000 each year for 2 years, at 5.05% interest, your payment will be $128 each month for 10 years and you will only pay back $15,309 with interest. Total interest $3,309.

    Only you can decide what is best for you and whether the higher loan amount will contribute to your overall academic success. You must consider how you will begin to pay the loan back once you leave school and whether you will be still seeking employment when your payments begin. Consider living like a student now, so you won't have to live like one later.

INSTRUCTIONS FOR COMPLETING YOUR STUDENT LOAN REQUEST

- Use this form if you are only taking 'some' classes at LCC in preparation for transfer to another school, you may be eligible for a student loan for one calendar year. The courses you take at LCC must be required by the school you are transferring to for entrance into their program. In addition the courses taken at LCC must be part of an eligible program at LCC.

- You are ineligible for this loan if you are only taking classes to achieve a higher grade point average for admission into a program.

Step 1: You must provide a copy of your program planner from the school you plan to transfer. The program plan must show the classes you register for at LCC are required for transfer. The courses taken at LCC must also be part of an eligible program at LCC.

Step 2: Complete and submit the attached student loan worksheet to the LCC Financial Aid office in person, by US postal mail or by faxing to 360-442-2379. All students must complete the loan worksheet each academic year a loan is requested. Keep this instruction/information sheet for later reference. Do NOT turn it in with the worksheet form.

If you have not already completed the additional loan paperwork for the academic year, please complete steps 3-5 below. If you have questions about which forms to complete, the staff in the financial aid office can assist you.

Step 3: Complete iGrad *Borrowing Smart and Preparing for higher education* course. All students must complete iGrads's *Borrowing smart and preparing for higher education* course the first year a loan is requested. For each additional time a loan worksheet is submitted the student can pick a non-previously completed iGrad course of their choosing. Please go to www.igrad.com/schools/LCC and either sign up or sign into your previously created account. Once signed in, click courses. You will then complete the course labeled *Borrowing smart and preparing for higher education*. When completed, the Financial Aid Office will verify your completion electronically.

Step 4: Complete the Loan Entrance Counseling. All students must complete Entrance Counseling each year a loan is requested. Entrance Counseling explains your rights and responsibilities of being a student loan borrower. Go to studentloans.gov and click "Sign in". Once signed in, select *Complete Entrance Counseling* and follow the steps. When you finish the session, print out the rights & responsibilities page to save for your records. Note: You will need to use your Federal Financial Aid PIN (FAFSA PIN) to sign in. If you do not remember your PIN number or do not have a PIN, go to pin.ed.gov to request your PIN. When completed, the Financial Aid Office will verify your completion electronically.

Step 5: Complete and sign your Master Promissory Note (MPN). The MPN is a promise to repay the loan and is good for multiple years. Please go to studentloans.gov and sign in with your PIN as you did in Step 1, and select *Complete Master Promissory Note*. When completed, the Financial Aid Office will verify your completion electronically.

Step 6: Loan Processing begins when steps 1 – 3 listed above are completed and we receive confirmation from the DOE that your entrance counseling and MPN have been completed. Loans are processed in chronological date order upon receipt of all required loan paperwork and any other financial aid paperwork required. Check the Financial Aid Portal for your loan award. Your award notification will have the loan amount(s) for which you are eligible.

Step 7: Checks. Funds sent to the college from the DOE will first be applied to any outstanding tuition and fees, and then toward any other outstanding charges of up to $200.00. Any remaining funds will be mailed to the current address listed in your student file. Loans take 5-10 days to process and can take longer during peak processing times. Funds will not be mailed any earlier than the week before the quarter starts. If you are a first time borrower, your loan check will not be mailed until 30 days after the start of the quarter per federal rules. If you will only receive a loan for one quarter during the academic year, we are required by federal rules to divide your loan in half, with the second half available at approximately mid-term. If you have unpaid tuition and fees during this time, you will be held in your classes until your loan check is released.

Your single contact to get your account information for your Direct Stafford Loan:
Direct Loan Servicing Center
Phone: 1-800-848-0979
Website: studentloans.gov

LCC is an AA/EEO employer. See www.lowercolumbia.edu for the full non-discrimination statement.

2020-21
Federal Direct Stafford Loan Worksheet
For non-degree seeking transfer students

Use this loan worksheet if you intend to only take some classes so you can transfer to another school and you will not graduate from LCC with a degree or certificate

Please read carefully and complete every item. An incomplete form will delay processing of your loan.

Student Information:

Social Security Number: _____-_____-_____ **SID:** _____-_____-_____

Last Name: _____ **First Name:** _____ **MI:** ____

Daytime Phone Number: _____

Permanent Mailing Address: _____

City: _____ **State:** _____ **Zip:** _____

Nearest relative or other contact person:

Name: _____ **Relationship:** _____

Address: _____

Phone: _____

1) What quarter(s) are you requesting a loan? *Check all quarters that apply AND indicate the number of credits you plan on taking:*

❑ Summer 2020 _____Credits; ❑ Fall 2020_____Credits; ❑ Winter 2021 _____Credits; ❑ Spring 2021 _____Credits

2) How much do you want to borrow? $_____ *(Request what you need for the entire school year)*

3) Would you like your loan to include an UNSUBSIDIZED loan, which accumulate interest while you are in school?

❑YES ❑NO

NOTE: You must have financial need to be eligible for the subsidized loan. If you have no financial need you will only be eligible for an unsubsidized loan. We award the eligible amount of subsidized first and then the unsubsidized loan up to your Cost of Attendance; which may be less than the maximum annual amounts.

4) Have you received a Stafford Loan in the past? ❑YES ❑NO

If yes, which schools? _____

(FAO USE: If yes, add NR to quarterly track screen. If no, add 3D to quarterly track screen)

LCC Bookstore vouchers are available to first time borrowers whose loan will be delayed 30 days. If you have no other funds to purchase your books and your loans have been awarded, obtain a voided receipt from the LCC Bookstore and submit it to the cashier. Vouchers can only be used for required textbooks and related school supplies. The charges you incur at the LCC Bookstore will be deducted from your loan check. If you stop attending classes before your loan is disbursed you will be responsible to repay the charges incurred at the LCC Bookstore.

6) Student Signature: _____ Date: _____

FAO Initial: _____