

DIRECT LOAN REQUEST PACKET

INSTRUCTIONS

- Complete the Free Application for Federal Student Aid (FAFSA) and any other required forms.
- The mailing AND e-mail address on file with Admissions and Records will be used on your loan application. **Make sure that both addresses in Admissions and Records are current and correct.**
- Complete the Entrance Counseling Exam by going to <https://studentloans.gov/myDirectLoan/index.action> and selecting the “Complete Entrance Counseling” link to the right of the page. This is required for **all** first time borrowers and is highly recommended for return borrowers at Grossmont College.
- Complete the Annual Student Loan Acknowledgment by going to <https://studentloans.gov/myDirectLoan/index.action> and selecting the “Annual Student Loan Acknowledgment” link to the right of the page. This is required for **all** borrowers and must be completed annually.
- The interest is a variable rate that changes each school year. **Loans disbursed on or after July 1, 2022 have a fixed interest rate of 4.99% for *Subsidized* and *Unsubsidized* loans for undergraduate students.** Borrowers are also charged an origination fee, which is deducted from your loan amount.
- Complete the Grossmont College Direct Loan Request Form **after you have passed the Entrance Exam**. Return the Direct Loan Request Form to the Financial Aid Office. **The DEADLINE to submit a loan application is as follows:**
 1. **Fall Only Students: December 16, 2022**
 2. **Spring Only or Full Year Students: June 02, 2023**
- In addition to the required Direct Loan Entrance and Exit Counseling, Grossmont College strongly recommends that students complete additional loan counseling with their Financial Aid Advisor or on-line using Federal Student Aid’s Financial Awareness Counseling Tool (FACT), which can be accessed at:
<https://studentloans.gov/myDirectLoan/whatYouNeed.action?page=counseling&accordion=finance>.
- The Financial Aid Office will certify your eligibility and transmit your loan request electronically to the Federal Direct Loan program. Approximately 48 hours after Grossmont’s certification, the Direct Loan program will contact you at the e-mail address on file with Admissions & Records instructing you to complete the Master Promissory Note (MPN) on-line. Please follow the instructions given to you by the Direct Loan program and on your MPN and complete any requested data elements. Once on-line, if you prefer to print and mail your MPN you will have the option to do so, but this MAY DELAY PROCESSING OF YOUR LOAN. (**Do NOT return** the MPN to Grossmont College.)
- When the Direct Loan program receives your MPN, they will process the loan and forward the loan funds to Grossmont College.
- Direct Loans will generally be disbursed beginning September 2022. **If you are an undergraduate student and a first time borrower, your first disbursement will be delayed a minimum of 30 business days after the start of the semester.** Please review the Grossmont College Financial Aid Award page after logging into WebAdvisor for the exact disbursement dates for your specific loan(s) after it has been originated by the college.
- Your loan will be disbursed in two separate installments. **Before the second check is disbursed, you are strongly encouraged to complete an Exit Counseling Exam.** It is recommended to complete an Exit Counseling Exam every year so students can routinely track their annual borrowing and how it may impact their overall level of indebtedness. You may complete the Exit Counseling Exam by going to <https://studentloans.gov/myDirectLoan/index.action> and selecting the “Complete Exit Counseling” link at the bottom of the webpage.
- Grossmont College does not participate in the Direct PLUS or Perkins loan programs.

After July 1, 2013, borrowers may not receive Direct Subsidized Loans for more than 150% of the published length of your academic program. For more information go to <http://www.grossmont.edu/student-services/offices-and-services/fa/direct-loans/directloaninfo.aspx> and visit the Subsidized Loan Maximum Eligibility link at the bottom of the webpage. **Please make sure you complete the attached Major Change Form and turn it in along with the Loan Request to the Financial Aid Office. Specifically, please give us your current Educational Goal and major on the Major Change Form.**



Direct Loan Frequently Asked Questions (FAQ's)

Q. What is a Direct Subsidized Loan?

- A loan made to eligible undergraduate students who demonstrate financial need to help cover the costs of higher education at an approved college or career/technical school.

Q. What is a Direct Unsubsidized Loan?

- A loan made to eligible undergraduate, graduate, and professional students. Students do NOT have to demonstrate financial need to be eligible for the unsubsidized loan.

Q. How much can I borrow?

- For undergraduate 1st year students (less than 30 completed units):
 1. **Dependent/Independent:** up to \$3,500 Subsidized or Unsubsidized
 2. **Dependent/Independent:** up to \$2,000/\$6,000 Additional Unsubsidized
- For undergraduate 2nd year students (30 or more completed units):
 1. **Dependent/Independent:** up to \$4,500 Subsidized or Unsubsidized
 2. **Dependent/Independent:** up to \$2,000/\$6,000 Additional Unsubsidized

Q. Can I take out loans for Summer?

- Yes, but eligibility will be determined upon Summer enrollment and previous loan amounts disbursed within the academic year.

Q. When do I have to start repaying my loan(s)?

- From the time a student either graduates or is no longer enrolled as a half-time student, a 6 month grace period will begin allowing the student to set up their loan repayment options or ask questions from their loan servicer. After their 6 month grace period, payments are due unless you have made other payment arrangements with your loan servicer.
- For questions regarding loan repayments, you may call: 1 (800) 621-3115.

Q. How can I defer my loan payments?

- Loan deferment can be an automatic process if you remain enrolled in at least 6 units during each semester.
- You may also download the In-School Deferment Request form at: <https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief/deferment>
 - This form will then need to be completed by the Grossmont Admissions & Records Office and then you will mail this form to your loan servicer.

Q. What if I want to cancel my loan request?

- To cancel a loan request, whether you have received funds or not, you can complete the Loan Cancellation form at the Financial Aid Office for processing.

Q. Can I return my loan if I have already received the funds?

- Yes, but you need to contact the Grossmont College Loan Specialist at (619) 644-3940 to determine repayment options and timelines.

For any additional questions not addressed on this form you may either contact the Loan Specialist at Jenna_Marogi@gcccd.edu or visit <https://studentloans.gov/myDirectLoan/index.action>

DIRECT LOAN REQUEST FORM (2022-2023)

TO BE COMPLETED IN BLACK INK

Name: _____ Student ID #: _____
Last First Middle

Email: _____

Home Phone # (____) _____ - _____ Alternate or Cell Phone # (____) _____ - _____

Step 1:

I request the following types of loans [check box(s) and enter amount]:

Subsidized Direct Loan Unsubsidized Direct Loan Additional Unsubsidized (**Not Recommended**)

\$ _____ .00

Step 2:

I request this loan to cover the following period(s) of enrollment: **[Please note, we will only certify the loan for the period(s) you check.]**

Fall 2022 Spring 2023

Step 3:

What is your educational goal? (Financial Aid will fund **only one** objective.)

CHECK ONLY ONE: Certificate Associate Degree Transfer Associate Degree Transfer

If transferring to another institution, please list name _____.

Major for the educational goal you marked above as listed in the Update Student Data form: _____.

Step 4:

I understand that my loan cannot be processed until I have successfully completed the on-line loan Entrance Exam Counseling Exam. I certify that I have received Entrance Counseling materials from the Federal Direct Loan program website at <https://studentloans.gov/myDirectLoan/index.action> and that I have read and understand my rights and responsibilities as a borrower.

I understand that this loan is to be used for educational purposes while attending Grossmont College. I also understand that this and any other student loan that I may have acquired must be repaid, with interest, and that I may be charged interest on some of my loan funds (if Unsubsidized) even while I am still enrolled in college. In addition, I understand that I may need to sign a new Master Promissory Note (MPN) to get this loan.

I further understand that I must be enrolled in a **minimum of six (6) units** and that I must immediately notify my lender if my status as a student changes. Failure on my part to adhere to the terms and conditions of my loan (as listed on the MPN) may result in default and forfeiture of some of the benefits afforded me in this program.

Student Signature: _____

Date: _____



TO BE COMPLETED BY THE FINANCIAL AID OFFICE:

<p><u>Aggregate Amounts:</u></p> <p>\$ _____ .00 SUB</p> <p>\$ _____ .00 UNSUB</p> <p>\$ _____ .00 TOTAL</p> <p><u>Ed Goal/Major:</u></p> <p>Verified at A&R: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><u>CIP Code Verified:</u></p> <p><input type="checkbox"/> Yes _____</p> <p><input type="checkbox"/> No _____</p> <p><u>Unmet Need:</u> \$ _____</p> <p><u>EFC:</u> \$ _____</p> <p><input type="checkbox"/> Dependent <input type="checkbox"/> Independent</p>	<p><u>Loan Period:</u></p> <p><input type="checkbox"/> – Fall and Spring</p> <p><input type="checkbox"/> – Fall Only</p> <p><input type="checkbox"/> - Spring Only</p> <p><u>Grade Level:</u></p> <p><input type="checkbox"/> 1 <input type="checkbox"/> 2</p> <p><u>30 Day Delay:</u></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><u>Supplemental Loan:</u></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><u>Sum of 150% Usage:</u> _____</p>	<p><u>Certified Amounts:</u></p> <p><input type="checkbox"/> Subsidized:</p> <p>_____ \$ _____ .00</p> <p><input type="checkbox"/> Unsubsidized:</p> <p>_____ \$ _____ .00</p> <p><input type="checkbox"/> Additional Unsubsidized:</p> <p>_____ \$ _____ .00</p> <p><u>Review:</u></p> <p>1st Reviewed by: _____ Date _____</p> <p>2nd Reviewed by: _____ Date: _____</p>
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Additional Comments: _____
