

2017-2018 Federal Stafford Loan Program

To Apply Follow These 5 Steps:

1. **Complete the Free Application for Federal Student Aid (FAFSA)** - In order to establish eligibility for the Federal Stafford loan you must complete and submit a FAFSA form for the applicable award year that you are planning to enroll. You may apply on-line at www.fafsa.gov. Be sure to include DCC's school code (003758) on your FAFSA. DCC will not certify your Stafford loan without first obtaining the processed results from your FAFSA application
2. **Know Your User Name and Password**– In order to complete your Entrance Counseling and Promissory Note below you will need to know your User Name and Password. This is the same User Name and Password used to complete your FAFSA. If you do not have a User Name and Password or have forgotten your Username and Password please visit fsaid.ed.gov
3. **Entrance Counseling** – To receive a student loan, the federal government requires that you understand the basics of borrowing. You'll be asked to complete a brief entrance counseling session. Entrance Counseling can be completed on-line at www.studentloans.gov. Click on entrance Counseling. This counseling session will help you learn more about the necessity of repaying your student loan, your Master Promissory Note, planning for repayment, and your rights and responsibilities as a borrower.
4. **Complete Your Promissory Note** – To apply for a Federal Stafford Loan, you need to submit a completed and signed Master Promissory Note (MPN). To Sign your promissory note online, visit www.studentloans.gov and click on Sign Promissory Note. Failure to promptly complete your Promissory Note will delay processing of your loan request. Your MPN is a legally binding document stating that you agree to repay your loan and that you accept the terms and conditions of your loan. The MPN also defines your right and responsibilities as a borrower, so it is vital that you read and understand this document.
5. **Complete the DCC Loan Request Form** – available at www.dcc.vccs.edu and return it to the Financial Aid Office.

There are two types of Stafford Loans – Subsidized and Unsubsidized. You may be eligible to receive one or both loan types.

Subsidized Loan is a need-based loan and is made available depending on your income and dependency status. With this loan, the government pays the interest that accrues prior to repayment, during your grace period, and during authorized periods of deferment. The Subsidized Interest Rate for the 2017-2018 award year is 4.45%.

Unsubsidized Stafford Loan is made available regardless of your income and dependency status. With this loan, you are responsible for all of the interest that accrues over the life of the loan. The Unsubsidized Interest Rate for the 2017-2018 award year is 4.45%.

Loan fees associated with the Federal Stafford Loan Program – All Federal Stafford Loans are assessed a loan fee by the federal government. This fee helps reduce the cost of making these low-interest loans. The federal government will deduct the fee from the loan before the borrower receives any loan money; therefore, the loan funds received by the borrower may be less than the amount they will repay. The loan fee for the 2017-2018 award year is 1.066%

Loan limits – The amount you may borrow under the Stafford Loan program depends on the number of credits you have completed to date and your dependency status according to the FAFSA results. Review the Stafford Loan limits chart included to help you estimate the amount available to you. **The Federal Stafford Loan should be used for educational expenses only. Please keep this in mind when determining your requested loan amount.**

Disbursement Information- Your loan funds will be disbursed in two equal disbursements across semesters unless you will be attending for only one semester. Funds received in excess of the billed charges are refunded back to you. Refunds are sent to the mailing address on record in Admissions, unless you have selected another option to receive disbursements. ***You must be enrolled at least half-time (6 credits) at the time of disbursement***

Recommended Loan Amounts

Dependent Students	Fall	Spring	Total
Freshman	\$1750	\$1750	\$3500
Sophomore	\$2250	\$2250	\$4500
Independent Students	Fall	Spring	Total
Freshman	\$1750	\$1750	\$3500
Sophomore	\$2250	\$2250	\$4500

Repayment Information – It is important to remember that you must repay your student loan even if you fail to complete your degree, are unhappy with your education, or can't find immediate employment after graduation. If you are late or miss just one payment your loan will be considered delinquent and you may incur late fees. If you stop making Stafford Loan payments altogether, you will be considered in default after 270 days have passed with no payment. Default is very serious and can negatively affect your credit rating for years. If you are ever unable to make your monthly loan payments, contact your lender or loan servicer immediately. Under certain conditions, you may be eligible for a deferment or forbearance and our loan payments may be temporarily reduced or stopped.

Student Rights – As a Stafford Loan Borrower, you have the right to:

- Receive a copy of your Master Promissory Note
- Receive a repayment schedule
- Have a six month period before repayment begins
- Repay your loan at any time without penalty
- Apply for a deferment or forbearance if you can't make the payments
- Receive notice if your loan is transferred between servicing companies or is sold to another lender
- Receive notice when your loan has been paid in full

Student Responsibilities – As a Stafford Loan Borrower, you have the responsibility to:

- Complete Entrance Counseling before you receive loan funds
- Repay your loan even if you don't complete your education
- Make loan payments even if you don't receive a bill
- Carefully review the Terms and conditions of your loan
- Keep copies of all your loan documents
- Complete Exit Counseling before you begin repayment
- Contact your lender or loan servicer when you can't make a monthly payment, change your name, address, phone number, transfer between schools, or change your anticipated graduation date

Danville Community College is partnering with ECMC to offer students, faculty, and staff a great online financial literacy tool called iGrad. This **FREE** service **NEVER** expires! Even after you have graduated you will continue to have access to great information! Check it out today: www.igrad.com/schools/danvilleecc

Don't DEFAULT! Contact ECMC Solutions for assistance. www.ecmcsolutions.org

Danville Community College does not discriminate on the basis of race, sex, color, national origin, religion, age, political affiliation, disability, veteran status, or other non-merit factors in its program or activities.

Member, Virginia's Community College

