

Stafford Loan Instruction Form

Please tell us how you want your Stafford Loan processed.

Print Name _____

Social Security Number ____ - ____ - _____

WHY COMPLETE THIS FORM: We have determined that based on the financial information you submitted to the Department of Education (DE) on your *Free Application for Federal Student Aid* (FAFSA), you are eligible to participate in the Federal Stafford Loan Program. We assumed that you would be enrolled full-time during our Academic Year at Delaware County Community College. These assumptions could be incorrect; therefore we need some additional instructions from you to accurately finish processing your loan application.

1.) How much do you want to borrow?

- The DCCC FAO processes all Federal Stafford Loans for the maximum amount of **Subsidized** loan (see below) for your grade level, \$2625.00 for freshman and \$3500.00 for sophomores (see catalogue for grade level descriptions).
Initial here if you want to borrow the maximum for your grade level: _____. OR;
- If you want to borrow **less** than the maximum please indicate how much you would like to borrow for the loan period checked below. \$ _____

2.) Will you accept Unsubsidized?

Sometimes a student will not qualify for a *Subsidized* Stafford Loan. Please read Subsidized vs. Unsubsidized below. Initial here if you will accept your loan proceeds as *Unsubsidized* **if and only if** you do not qualify for a Subsidized Stafford Loan. _____

3.) For what period of enrollment will you be borrowing Stafford Loan funds? Please check one. You may need to complete two Stafford Loan Instruction Forms (i.e. one for Sum II and one for the Academic Year).

_____ Summer II (July 5, 2006 through August 10, 2006) (must take at least six credits)
We recommend against using your entire full-year eligibility (\$2625 or \$3500) in Summer II.
DISBURSEMENTS: approximately July 5, 2006 and July 25, 2006

_____ **Academic year** (Fall sem: Aug. 30, 2006 through Dec. 14, 2006 & Spr. sem: Jan. 10, 2007 through May 2, 2007) DISBURSEMENTS: Approximately August 30, 2006 & January 10, 2007

_____ Fall only (August 30, 2006 through December 14, 2006)
DISBURSEMENTS: Approximately August 30, 2006 and October 24, 2006

_____ Spring only (January 10, 2007 through May 2, 2007)
DISBURSEMENTS: January 10, 2007 and March 17, 2007

_____ Summer I (May 21, 2007 through June 28, 2007) (must take at least six credits) DISBURSEMENTS: Approximately May 21, 2007 and June 10, 2007

4.) What is your anticipated enrollment status during the loan period checked above?

Please check one.

- Full-Time (twelve or more credits)
 Three-Quarter-Time (nine through eleven credits)
 Half-Time (six through eight credits)

Students' enrolled less than half-time are not eligible to borrow in neither the subsidized nor unsubsidized Federal Stafford Loan Program.

5.) What is your anticipated graduation date? (e.g. when will you complete the last course required in your degree program, for example December 2006, May 2007 or May 2008) **Please enter date.** _____

Entrance Interview:

All students applying for a Federal Stafford Loan must complete an *Entrance Interview*. You can complete this requirement on the Internet at <http://www.aessuccess.org/>. INITIAL HERE IF YOU HAVE COMPLETED THE ENTRANCE INTERVIEW ONLINE. _____

Certification Form:

After we receive this completed Stafford Loan Instruction Form we will re-evaluate your eligibility based on your instructions and correct enrollment data and send our certification to the American Education Services (AES) (also known as Pennsylvania Higher Education Assistance Agency (PHEAA)). You may review this certification at <http://www.aessuccess.org>, click on Manage Your Student Loan Account (you will have to create a user id and password if you have not used this site before.)

Master Promissory Note (MPN)

After we send our certification to AES/PHEAA, they will send a letter to you with instructions on how to sign the Master Promissory Note, the final step in the loan application process. This is your contract with the lender. Your loan is not complete until you sign this form. You sign this form electronically using your federal PIN. If you don't have a PIN you can get one at <http://www.PIN.ed.gov>. You can electronically sign you MPN at <http://www.aessuccess.org>, (then click on Apply for a Stafford Loan and follow the instructions).

My signature below indicates that I have completed a FAFSA form and an Entrance Interview. It also indicates that I have read the information provided on this form and understand the information contained there, *in particular I understand that I have a serious obligation to repay all funds borrowed and interest accrued.*

Signature _____ Date _____

Print Name _____ SSN _____ - _____ - _____

After completing this form please staple and return the first two pages to:

DCCC Financial Aid Office
901 South Media Line Road
Media, PA 19063-1094

What is a Federal Stafford Loan?

The Federal Stafford Loan is a cooperative effort among lending institutions, educational institutions and guarantee agencies on behalf of the federal government.

- Lenders provide the funds.
- Schools determine the amount of the loan, students' eligibility and loan period.
- Guarantee agencies ensure the repayment of the loan.

Federal Stafford Loans were created to help you meet your educational expenses. All students who are US citizens or eligible non-citizens, are registered with the Selective Service System (if required), have a Social Security number, and are enrolled in an approved program on at least a half-time basis, are eligible to participate in the Federal Stafford Loan Program.

Subsidized vs. Unsubsidized

For a full description of terms that follow see Entrance Counseling at [click here](#).

Federal Stafford Loans are offered in two forms; subsidized and unsubsidized.

Subsidized: U.S. Department of Education pays interest while the borrower is enrolled in school and during approved grace and deferment periods.

Unsubsidized: Borrower pays interest during the life of the loan.

Both Subsidized and Unsubsidized borrowers do **not** pay the **principle** of the loans while in school or during an approved grace period or deferment. For a fuller description of terms see [Entrance Counseling](#).

The Financial Aid Office at Delaware County Community determines if your loan is to be subsidized or unsubsidized based upon the following formula:

("Cost of Education" * "Enrollment Factor") - "Expected Family Contribution" - "Other Aid" = "Need"
If need is greater than zero than an equal amount may be borrowed as a subsidized loan up to a maximum.

For example: A student from a sponsoring school district enrolls for 9 credits in the Fall semester and plans to do the same for the Spring semester. He has submitted a FAFSA form and has been given an EFC of \$822. It has also been determined that he is eligible for a Pell Grant of \$2400 and a Pennsylvania State Grant of \$800. Therefore; Cost of Education equals \$7,120 (Sponsoring, full-time, Fall & Spring) times an enrollment factor of .75 minus EFC of \$822 (from Student Aid Report) minus other aid of \$3,200 equals Need: $(\$7,120 * .75) - \$822 - \$3,200 = \$5,378 - 822 - 3,200 = \$1,356$

In this example the student can receive \$1,356 subsidized Stafford Loan. He can also receive \$822 in unsubsidized Stafford Loan but his total aid can never exceed the "Cost of Education"

Until we complete this calculation according to your instructions we can only estimate that you qualify for a Stafford Loan but we cannot tell you what form your loan will take or the exact amount until we process the Certification. You will be notified of the amount borrowed by AES/PHEAA with a 'Notice of Disbursement' letter and DCCC will be sending a postcard to you with instructions about your disbursement. You may reduce or cancel your loan. Please come to the Financial Aid Office to do this if you want.

Disbursement

All Federal Stafford Loans are disbursed in two nearly equal disbursements during a loan period. For the academic year, the most common borrowing period, the first disbursement will occur during the fall semester and the second disbursement will occur during the spring semester. For a single semester or term, Summer II, Fall, Spring or Summer I, the first disbursement will occur at the beginning of the semester and the second disbursement will occur at the half-way point of the semester.

The DCCC Cashier's Office will be notified that the loan is in process and they will wait for payment for tuition and fees (up to the amount of the loan) until your loan is disbursed.

If you borrow for only one semester or term there will still be two separate disbursements made. These disbursements are sent to the Cashier's Office at DCCC by the Pennsylvania Higher Education Assistance Agency by Electronic Fund Transfer (EFT). When your funds arrive we will send you a 'Notice of

Disbursement' postcard. YOU MAY CANCEL THE LOAN WITHIN TEN DAYS OF THE DATE OF THIS LETTER. To cancel you must submit written notification to the FAO on the Main Campus in Media

If the disbursement exceeds the charges on your account the Cashier will make a check payable to you and available in the Cashier's Office fourteen days after your account is credited. Please see [DCCC Refund Policy](#) on our webpage <http://www.dccc.edu/finaid>

These processes apply whether the loan is subsidized or unsubsidized. Disbursement dates may be affected by the time that the application process is completed.

Yearly Maximum and Additional Eligibility

Academic Year Loan Limits

	Basic Loan; Subsidized or Unsubsidized.	Additional Eligibility Unsubsidized Only	Annual Total
Freshman	\$2,625.00	\$4,000.00	\$6,625.00
Sophomore	\$3,500.00	\$4,000.00	\$7,500.00

Independent students may also be eligible for additional Federal Stafford Loan. They can borrow up to \$4000.00 more during a fiscal year. See chart above. These additional funds are always unsubsidized. It has been our experience that DCCC students, generally, do not need these additional funds since our costs are so reasonable and that additional debt is detrimental to students' future career goals. This additional debt should only be incurred in unusual situations specifically where not borrowing would jeopardize a student's pursuit of his or her degree.

_____ Initial here if you want to borrow the additional unsubsidized loan in the amount of \$_____ (maximum \$4000.00). then submit this part of the form stapled to the two pages above (only requests from Independent students, as determined by USDE, will be processed.)

Dependent students may not borrow the additional unsubsidized Stafford Loan but their parents may borrow up to the cost of education minus financial aid through the **PLUS Program**. This is a government backed, low interest, education loan program available to parents of students enrolled in higher education programs. **PLUS Applications are available in the DCCC Financial Aid Office.** The lender will perform a credit check. Students, whose parents are denied a PLUS loan, may be eligible for additional unsubsidized Stafford loan funds, see Independent Students above.

More information about the Federal Stafford Loan Program is available at <http://studentaid.ed.gov> and <http://www.aessuccess.org/>. There is important information on both sites regarding aggregate loan limits and sample repayment schedules. **Very Important!** Read the Financial Aid section of the DCCC Catalogue, particularly the sections covering Satisfactory Academic Progress and Withdrawal.