



# Mineral Area College

Serving Communities Since 1922

Office of Financial Aid  
PO Box 1000  
Park Hills, MO 63601  
573-518-2133  
Fax: 573-518-2305

## How To Get Your Direct Loan

**Note: For 2011-12 All students are required to bring in a paper copy of the MPN, (PDF format) Entrance Counseling and Data sheet to the Financial Aid Office BEFORE the loan will be processed.**

1. Complete and submit the FAFSA online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).
2. Complete the attached Student Loan Data Sheet and return it to the Financial Aid Office  
(Please use black ink when filling out paperwork. Pencil WILL NOT be accepted).

To complete these steps go to [www.studentloans.gov](http://www.studentloans.gov). (You will need your FAFSA pin to apply).

3. All borrowers including returning students must complete and return to the Financial Aid Office:
  - A. **Online Master Promissory Note (PDF format)**  
Steps to viewing online Master Promissory Note:
    1. View in HTML format then click on continue
    2. Next view PDF format then click Open and print page one. This step must be done before your promissory note will be submitted.
  - B. **Entrance Counseling**

### **\*VERY IMPORTANT INFORMATION\***

*Note: Your loan amount may differ from the amount you applied for due to*

1. It being over the maximum limit for your grade status.
2. Financial need and/or dependency status guidelines set by FAFSA results.

Loan funds are posted to the student account. Outstanding charges (tuition fees, books, supplies, etc.) are deducted prior to excess cash being released to the student.

**Note: Anticipated Disbursement date for Fall 2011 is the first week of October 2011.  
Anticipated Disbursement date for Spring 2012 is first week of March 2012.**

We are required by Federal Law to receive and disburse any student loan funds for the Fall 2011 and Spring 2012 Semesters before the end of the Semester. The last day the Financial Aid Office can accept Fall 2011 loan information is **November 7, 2011** and the Spring 2012 loan information is **April 4, 2012**.

- It is the student's responsibility to make sure all loan paperwork is received in the Financial Aid Office.

Thank You!

## QUESTIONS AND ANSWERS ABOUT DIRECT LOANS

The U.S. Department of Education administers the William D. Ford Federal Direct Loan (Direct Loan) Program the Direct Loan programs consist of what are generally known as Stafford Loans (for students) and PLUS Loans [for parents](#).

Schools generally participate in Direct Loan Program. Under the Direct Loan Program, the funds for your loan come directly from the federal government.

### Who may borrow?

Full or half-time undergraduate students who are enrolled in a degree or certificate seeking program.

### How to choose a lender?

If you have a Direct Stafford Loan, the federal government through the U.S. Department of Education is your lender.

### How much can I borrow?

It depends on your year in school and whether you have a subsidized or unsubsidized Direct Stafford Loan. A subsidized loan is awarded on the basis of financial need. If you're eligible for a subsidized loan, the government will pay (subsidize) the interest on your loan while you're in school, for the first six months after you leave school, and if you qualify to have your payments deferred. Depending on your financial need, you may borrow subsidized money for an amount up to the annual loan borrowing limit for your level of study (see below).

You might be able to borrow loan funds beyond your subsidized loan amount even if you don't have demonstrated financial need. In that case, you'd receive an unsubsidized loan. Your school will subtract the total amount of your other financial aid from your cost of attendance to determine whether you're eligible for an unsubsidized loan. Unlike a subsidized loan, you are responsible for the interest from the time the unsubsidized loan is disbursed until it's paid in full. You can choose to pay the interest or allow it to accrue (accumulate) and be capitalized (that is, added to the principal amount of your loan). Capitalizing the interest will increase the amount you have to repay.

You can receive a subsidized loan and an unsubsidized loan for the same enrollment period as long as you don't exceed the annual loan limits.

### What's the interest rate?

For all Direct unsubsidized Stafford loans first disbursed on or after July 1, 2006, the interest rate is fixed at 6.8 percent. The interest rate for subsidized Stafford loans first disbursed on or after July 1, 2009 is fixed at 5.6 percent. This change from a variable to a fixed interest rate does not affect a borrower's variable interest rate on loans made before July 1, 2006.

For Stafford Loans first disbursed between July 1, 1998 and June 30, 2006, the interest rate is variable (adjusted annually on July 1st) but will not exceed 8.25 percent. (You'll be notified any time the variable rate changes.) The interest rate for these loans in 2009-10 is 2.48. (These rates apply to loans in repayment status; the rate may be lower during grace and deferment periods.)

### Other than interest, is there a charge for this loan?

For Stafford Loans that are first disbursed between July 1, 2009 and June 30, 2010, there is a fee of up to 1.5 percent of the loan, deducted proportionately from each loan disbursement. For a Direct Stafford Loan, the entire fee goes to the government to help reduce the cost of the loans. Also, if you don't make your loan payments when scheduled, you may be charged collection costs and late fees.

**When will you receive your loan money?** You usually will receive your loan proceeds in two or more installments called "disbursements." The Financial Aid Office will determine the number of disbursements you will receive and the dates you will receive them.

**When does repayment begin?** Repayment will begin six months after you graduate, leave school, or drop to less than half-time enrollment.

### When do I pay back my Direct Stafford Loans?

Repayment will begin six months after you graduate, leave school, or drop to less than half-time enrollment.

Direct Loan Maximums		Effective July 1, 2010		Total (Subsidized & Unsubsidized)
Dependent	Subsidized	Unsubsidized		
<b>Undergraduate</b>				
First Year	\$3,500 (0-29 cr hrs)	\$2000		\$5,500
Second Year	\$4,500 (30+cr hrs)	\$2000		\$6,500
<b>Independent Undergraduates</b> (and dependents whose parents are unable to borrow under the Federal PLUS Program)				
First Year	\$3,500 (0-29 cr.hrs)	\$6,000		\$9,500
Second Year	\$4,500 (30+ cr hrs)	\$6,000		\$10,500

1. All undergraduate annual loan limits are subject to proration.  
 2. If the borrower does not show financial need for a Direct Subsidized federal Loan, or has reached the annual limit in Direct Subsidized Loans, the borrower may receive up to this entire amount in Unsubsidized Direct Loans, Assuming he or she has remaining eligibility for the loan.

