

Frequently Asked Questions – Student Loan Program

1. How much should I borrow?

Remember the amount you borrow will have to be repaid so it is best to request as little as possible. You can visit

<http://mappingyourfuture.org/paying/standardcalculator.cfm> this will show exactly how much your monthly payments will be and how much income you will need to pay off your student loan debt.

It depends on your year in school and whether you have a subsidized or unsubsidized Direct Stafford Loan.

2. Who administers the student loan program?

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.

3. Where do the funds for the program come from?

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

4. Who may borrow?

Full or half time undergraduate students whom are enrolled in a degree or certificate seeking program. A student must be enrolled in at least six credit hours to receive a Direct Student Loan.

5. How do I apply for a student loan?

- Logon to your MyMAC Account
- Click on the MyFinancial Aid Tab at the top of the page
- Click on the Student Loan Program link on the left hand side of the page and all of the instructions are there for you to complete the process.

6. What is difference between subsidized and unsubsidized loans?

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 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

Current subsidized and unsubsidized interest rates are fixed interest rate of 4.66%.

7. Assuming I haven't exceeded my cost of attendance budget, what is the maximum amount I can borrow each year? (the maximum amount that can be borrowed under the law).

Annual Loan Limits:

Dependent students:

- Under 30 credit hours (First year student) :
Fall/Spring \$5500 subsidized and unsubsidized combined
- Over 30 credit hours (Second year student):
Fall/Spring \$6500 subsidized and unsubsidized combined

Independent students:

- Under 30 credit hours (First year student):
Fall/Spring \$9500 subsidized and unsubsidized combined and (dependent students whose parents have been denied a Federal Direct PLUS Loan).
- Over 30 credit hours (Second year student):
Fall/Spring \$10500 subsidized and unsubsidized combined and (dependent students whose parents have been denied a Federal Direct PLUS Loan).

NOTE: All undergraduate annual loan limits are subject to proration based upon the students chosen program of study, cost of attendance and proximity to graduation from Mineral Area College. In the case of proration, the loan amount awarded may be less than the amount requested.

8. How much is the processing fee when my loan is disbursed?

The processing fee is approximately 1.073% if first disbursement is on or after October 1, 2014 and before October 1, 2015. For Fiscal year 2016 if first disbursement is on or after October 1, 2015 and before October 1, 2016 fee is 1.068%.

9. How can I figure out who carries my loan(s) and how much I owe?

Log onto www.NSLDS.ed.gov to find all your loan history and loan servicers in one place.

loan). Capitalizing the interest will increase the amount you have to repay.



10. When do I go into repayment on my loan(s) and can I make payment before then?

You will need to start paying back your loan six months after you graduate or stop attending at least six credit hours, and yes you can make payments earlier than that, but you are not required to.

11. Do I pay the college when I want to make a payment on my student loan(s) or who do I make payment to?

You must repay the company who holds your loan, not Mineral Area College.

12. When will I get my money?

- **Full-year loans:** disbursed $\frac{1}{2}$ in the Fall and $\frac{1}{2}$ in the Spring Semesters. The disbursement date is approximately the 5th week of each semester.
- **One semester loans:** are disbursed $\frac{1}{2}$ approximately the 5th week of the semester and $\frac{1}{2}$ approximately the 8th week of the semester
- **Summer semester loans:** disbursed $\frac{1}{2}$ approximately the 3rd week of the semester and $\frac{1}{2}$ approximately the 5th week of the semester.

13. How will I get my money?

- Funds are disbursed to the student account according to the schedule listed above.
- All charges owed to Mineral Area College (on the student account) for the current semester are deducted from the disbursement.
- Remaining balance of funds (if any) will be posted to a Mineral Area College student debit card. Generally, this occurs on a Friday.
- Students will receive an email from the Financial Aid Office at Mineral Area College notifying them that loan funds have been posted to the student account. Students can then check their MyMAC Account to see if they will be receiving any funds on their MAC debit card.

14. How do I consolidate my loans?

Contact www.loanconsolidation.gov or (800) 557-7392