



# STAFFORD LOAN INFORMATION

## Fullerton College 2015-2016 Award Year

Dear Student,

You will need to follow the instructions on this page, in order to receive a Federal Direct Stafford Student Loan. Taking out a loan is a big responsibility and should not be taken lightly. A student loan, like any other loan, is a debt that must be repaid with interest. You will owe this money back even if you withdraw from Fullerton College without completing your degree or are unable to find work. On a positive note, taking out a student loan can also help you establish or re-establish a good credit history, and can assist you in bridging the gap and meeting your educational expenses.

The amount you may borrow is determined on two factors: 1) the total number of units you have completed, and 2) your 'unmet need' on your financial aid award. You will need to determine these two factors before applying for a loan as our office will only certify your loan up to the amount for which you are eligible, even if you requested a higher amount. Because we want you to exhaust all gift aid, such as grants and scholarships, before taking out a student loan, you should not apply for a loan until you have been awarded and viewed your award letter in myGateway.

Be aware that you can apply anytime for your loan during the Fall and Spring semester until our advertised spring cut-off date for the 2015-2016 Academic Year. If you do not need the funds now, you can wait to apply at a later date.

If you have any additional questions, please feel free to call us at 714-888-7588 or stop by our office during business hours. Should you decide to take out a student loan, please follow the instructions at the right of this page.

Best of luck in reaching your personal and educational goals,

Greg Ryan  
Director of Financial Aid

## Loan Process steps at Fullerton College

1. Complete your student financial aid file at [verifymyfafa.com](http://verifymyfafa.com).
2. Once completed, the Financial Aid Office will automatically offer all eligible students a subsidized Federal Direct Stafford loan. You must accept the loan through myGateway. You are able to borrow less, but not more, than what your "unmet need" is.
3. Complete the Loan Entrance Counseling at [www.studentloans.gov](http://www.studentloans.gov).
4. Once the loan has been originated and accepted, you will be asked to sign a MPN (Master Promissory Note) online via myGateway. Note: All borrowers must be enrolled in at least 6 active units (half time) at the time the disbursement is received and be enrolled in classes listed on their education plan.
5. You will receive a disclosure notice in the mail indicating when your funds will be disbursed. Direct Stafford loans will be disbursed at Fullerton College no sooner than 30 days after the beginning of the academic period and will be disbursed to students on their North Orange debit card, depending on their refund preference. Any loans requested after the start of the academic period will be disbursed approximately two to four weeks after all the steps are completed.
6. Complete Loan Exit Counseling once you have graduated or separated from Fullerton College.

Any outstanding debts owed to the College may be recouped from your disbursement and the balance (if any) reimbursed to you. If you have any questions, you may contact the Direct Loan Processing Center at 1.800.848.0979 or log back into the Direct Loan website where you completed your MPN.

### North Orange Card

Students who do not currently have a North Orange debit card should receive one in the mail within 10 business days after your loan origination. Please verify your address on file with Admissions and Records as this is the address where your card will be mailed. Your student loan will be disbursed in two equal installments.

### Interest Rate

- Your loan has a fixed interest rate of 4.29% for both subsidized and unsubsidized loans.

### Types of Loans

- Fullerton College participates in the Federal Direct Stafford Loan Program (William D. Ford), Federal Direct Subsidized (need based, interest paid by the Federal government), and unsubsidized (non-need based, interest accrues after disbursement.)

### Maximum Loan Amounts

- The Direct Subsidized maximum amounts are:  
First Year Student: \$3,500 (0-29 units completed)  
Second Year Student: \$4,500 (30 + units completed)  
(You must have at least enough unmet need on your award letter to cover the loan)

- If you need additional funds and are an independent student or if you do not have enough unmet need to receive the full subsidized amount, you may receive an unsubsidized loan. First and Second Year Students: \$6,000\*  
(\*Note: Dependent students may only apply for an additional unsubsidized loan of \$2,000.)

Independents may combine the two amounts, for a total of:

First Year student:  $\$3,500 + \$6,000 = \$9,500$

Second Year student:  $\$4,500 + \$6,000 = \$10,500$  (if completed 30 units or more)

## Fees

There is a fee associated with borrowing a Direct Stafford student loan. Beginning October 1, 2015 the origination fee is 1.068 %. Your loan proceeds will be reduced by the amount of the fees, however, you will be responsible for repayment of the entire amount borrowed.

## Counseling

You will need to complete entrance counseling each year you apply for a student loan from Fullerton College. You must also complete exit loan counseling before you withdraw, graduate, or drop below half time attendance.

## Repayment

There are several repayment plans from which to choose to best meet your budget. For more information on repayment plans, please visit the Direct Loan Servicing website at [www.direct.ed.gov](http://www.direct.ed.gov).

## Time Limitation on Direct Subsidized Loans

There is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. In general, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program. This is called your "maximum eligibility period". You can usually find the published length of any program of study in your school's catalog. For example, if you are enrolled in a 2-year associate degree program the maximum period for which you can receive Direct Stafford Loans is 3 years (150% of 2 years = 3 years). Please note if you fail to complete your program within the maximum eligibility period you may lose eligibility for future subsidized loans as well as the interest subsidy on all prior subsidized loans.

## Loan Disbursement for Clock Hour Students

If you are a clock hour student in Cosmetology, Administration of Justice, or Therapeutic and Sports Massage-Level 1 and qualified for a student loan, your first disbursement will be 30 days from the beginning of your program. The second loan payment is disbursed upon completion of  $\frac{1}{2}$  the clock hours and  $\frac{1}{2}$  the weeks of instruction.

Cosmetology and Administration of Justice students may be eligible for a new loan for the final completion of their program but MUST complete the FAFSA for the following academic year and qualify for a loan payment (loan amount would be prorated).

Legislation and governmental regulations are continually changing the face of student financial aid.

The information contained in this brochure is correct as of the time of publication 05/2015.

However, information is subject to change without notice.

