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 2013-2014 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. You might want to keep this letter and the “Loan Process Steps” for your records.

Best of luck in reaching your personal and educational goals,

Greg Ryan
Director, Financial Aid

Loan Process steps at Fullerton College

2. Follow the Federal Direct Stafford Loan Steps on line to create a borrower account for yourself, complete the entrance counseling, and complete your Master Promissory Note (MPN.) Entrance Counseling tests require test results of 100%.
3. Complete the Loan Request Form and submit to the Financial Aid Office via email to fvallejas@fullcoll.edu or drop it off in the blue mailbox outside the Financial Aid Office.
4. The Financial Aid Office at Fullerton College will originate your loan once all steps are completed and provided you are enrolled in at least 6 active units at Fullerton College (active: units must have already started.). Please note that we will only originate the amount for which you are eligible, even if you requested a higher amount. Please allow two weeks for origination once eligible.
5. Complete the MPN by clicking the Step Four link on our Direct Loan web site. (Note: You will not be able to complete the MPN until 72 hours after we have originated your loan. You will receive notice via myGateway once your MPN is available to sign online. You can verify that your loan has been originated by logging in to myGateway and viewing your award letter reflecting your student loans for the current academic year.)
6. Your loan will be scheduled for disbursement. 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 Card 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 Steps are completed. If you have any questions, you may contact the Direct Loan processing center directly at 1-800-848-0979, or log back in to the Direct Loan web site where you completed your MPN, to track the status of your loan.
7. You will receive your loan funds via your North Orange Card debit card (or the refund preferences you selected when you activated your North Orange Card.) Students who do not currently have a North Orange Card should receive one in the mail within 10 business days of your loan origination. Please verify your address on file with Admissions and Records is correct, as this is the address where your card will be mailed. (Note: you must be enrolled in at least 6 active units at Fullerton College at the time your disbursement is scheduled, in order to receive your loan funds. Any outstanding debts owed to the college may be recouped from your disbursement, and the balance (if any) reimbursed to you. Please note: your student loan will be disbursed in two equal installments.

Important Points:

Interest Rate
• Your loan has a fixed interest rate of 4.66% 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.) Independants 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 December 1, 2013 the origination fee is 1.073%. 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.

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.