



# STAFFORD LOAN INFORMATION

## Fullerton College 2021-2022 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 to meet your educational expenses goal.

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. Students must be enrolled in at least 6 units to be eligible to receive a loan. The Financial Aid Office wants 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 through email or in myGateway.

Be aware that you can apply anytime for your loan during the Fall and Spring semester until our advertised spring cutoff date for the 2021/2022 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 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 the FAFSA at <https://studentaid.ed.gov/sa/fafsa>
2. Login to myGateway, select My Overall Status, and select the current academic year. If you have any outstanding requirements for your financial aid file, complete them.
3. Once completed, you may apply. You can view the amount you're eligible for through your VerifyMyFAFSA account.
4. Complete the loan request form online at <https://fullcoll.verifymyfafsa.com>. You can borrow less, but not more, than you are offered.
5. Once you submit your loan request, allow 5 business days for processing and for the loan to be originated. Then complete the Loan Entrance Counseling at [www.studentaid.gov](http://www.studentaid.gov) by selecting Complete Aid Process.
6. Within 3 to 5 business days sign the MPN (Master Promissory Note) at [www.studentaid.gov](http://www.studentaid.gov).
7. You will receive a disclosure notice in the mail.
8. Complete Loan Exit Counseling once you have graduated or separated from Fullerton College.

**REMEMBER:** Students must be enrolled in at least 6 active units (half-time) at the time of disbursement and be enrolled in classes listed on their educational plan. Disbursement dates for the loan can be found at <https://financialaid.fullcoll.edu/> per your financial aid offer. Direct Stafford loans will be disbursed no sooner than 30 days after the beginning of the academic period for **NEW borrowers** and after the freeze date for **RETURNING borrowers**. The funds will be disbursed to students' selected 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. If you have any questions, you may contact the Financial Aid Office or log back into [www.studentaid.gov](http://www.studentaid.gov).

Once you submit your loan request form to the office, you have the right to cancel or reduce your loan amount at any time prior to the scheduled disbursement date. To do so, please email [financialaid@fullcoll.edu](mailto:financialaid@fullcoll.edu) with your request. You will receive an email confirmation back once this has been received and processed. If your loan has been disbursed, and your refund has already been transferred to the bank, then work directly with your loan servicer to repay the portion of your loan that you no longer wish to receive.

## Interest Rate

**Temporary 0% interest as a result of the COVID-19 National Emergency.** As part of the new federal legislation passed on March 27, 2020 and later extended on January 20, 2021, loan servicers have suspended payments and interest accrual on all U.S. Department of Education (ED) owned loans until September 30, 2021, due to the COVID-19 National Emergency.

Loans in 2020-2021 had a fixed interest rate of 2.75% for both subsidized and unsubsidized loans disbursed after July 1, 2020 to June 30th, 2021. Updated interest rate for 2021-2022 has not been established by the Department of Education at this time. Please contact our office for updates.

## 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.) Fullerton College does NOT participate in any private loans.

## 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)

Students must have at least enough unmet need on their official offer of financial aid 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. Independent first- and second-year students may request up to \$6,000. Dependent students may only apply for an additional unsubsidized loan of up to \$2,000.

Independent students may combine the two amounts, for a total of:

- First Year student:  $\$3,500 + \$6,000 = \$9,500$  (0-29 units completed)
- Second Year student:  $\$4,500 + \$6,000 = \$10,500$  (30+ units completed)

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 03/2021.

However, information is subject to change without notice.

## Fees

There is a fee associated with borrowing a Direct Stafford student loan. Beginning October 1, 2020 through September 30, 2021, the origination fee is 1.057%. Your loan amount will be reduced by the amount of the fees; however, you will be responsible for repayment of the entire amount borrowed at the time of repayment.

## Counseling

You will need to complete the loan 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 <https://studentaid.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.

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