



FEDERAL DIRECT STUDENT LOAN INFORMATION

Fullerton College 2023-2024 Award Year

Dear Student,

You will need to follow the instructions on this page in order to receive a Federal Direct 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 offer. 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 viewed your financial aid offer 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 2023-2024 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, visit our website at <https://financialaid.fullcoll.edu/types/#loans> or request a callback at <https://financialaid.fullcoll.edu/qless/>. 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/afsa>
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 are eligible for online at <https://fullcoll.studentforms.com>.
4. Complete the loan request form online at <https://fullcoll.studentforms.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 by selecting Complete Aid Process.
6. Within 3 to 5 business days sign the MPN (Master Promissory Note) at 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. Federal Direct Student 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.

Once you submit your loan request form to the office, you have the right to cancel or reduce your loan amount 30 days prior to the scheduled disbursement date and 30 days after the loan disbursement date.

Interest Rate

There is a fixed interest rate of 5.50% for both subsidized and unsubsidized loans disbursed between July 1, 2023 and June 30, 2024.

Types of Loans

Fullerton College participates in the Federal Direct 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 parent PLUS loans or 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)

Fees

There is a fee associated with borrowing a Federal Direct Student Loan. Beginning October 1, 2020 through September 30, 2024, 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

Congress passed a law preventing further extensions of the payment pause due to the COVID-19 national emergency. Student loan interest will resume starting on September 1, 2023, and payments will be due starting in October 2023. Student borrowers will be notified about their repayment status by the Department of Education.

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/>. Students can also get FREE Federal Student Loan counseling through our nonprofit, 3rd party partner, Educational Credit Management Corporation (ECMC). ECMC Solutions can help students with their student loans and repayment selection. Students can attain ECMC assistance via: <https://www.ecmc.org/borrowers/index.html>.

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 Federal Direct Student 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.

NSLDS

For students applying for a student loan, information will be submitted to the National Loan Data System (NSLDS). The NSLDS and the associated information will be available and accessible to guaranty agencies, lenders, institutions, and other determined to be authorized users of the data system. Students may also access their own information at www.studentaid.gov.



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 December 2023.

However, information is subject to change without notice.

