

# 2016-2017 Federal Stafford Loan Program

## To Apply Follow These 5 Steps:

1. **Complete the Free Application for Federal Student Aid (FAFSA)** - In order to establish eligibility for the Federal Stafford loan you must complete and submit a FAFSA form for the applicable award year that you are planning to enroll. You may apply on-line at [www.fafsa.gov](http://www.fafsa.gov). Be sure to include DCC's school code (003758) on your FAFSA. DCC will not certify your Stafford loan without first obtaining the processed results from your FAFSA application
2. **Know Your User Name and Password**– In order to complete your Entrance Counseling and Promissory Note below you will need to know your User Name and Password. This is the same User Name and Password used to complete your FAFSA. If you do not have a User Name and Password or have forgotten your Username and Password please visit [fsaid.ed.gov](http://fsaid.ed.gov)
3. **Entrance Counseling** – To receive a student loan, the federal government requires that you understand the basics of borrowing. You'll be asked to complete a brief entrance counseling session. Entrance Counseling can be completed on-line at [www.studentloans.gov](http://www.studentloans.gov). Click on entrance Counseling. This counseling session will help you learn more about the necessity of repaying your student loan, your Master Promissory Note, planning for repayment, and your rights and responsibilities as a borrower.
4. **Complete Your Promissory Note** – To apply for a Federal Stafford Loan, you need to submit a completed and signed Master Promissory Note (MPN). To Sign your promissory note online, visit [www.studentloans.gov](http://www.studentloans.gov) and click on Sign Promissory Note. Failure to promptly complete your Promissory Note will delay processing of your loan request. Your MPN is a legally binding document stating that you agree to repay your loan and that you accept the terms and conditions of your loan. The MPN also defines your right and responsibilities as a borrower, so it is vital that you read and understand this document.
5. **Complete the DCC Loan Request Form** – available at [www.dcc.vccs.edu](http://www.dcc.vccs.edu) and return it to the Financial Aid Office.

## Learn More About The Stafford Loan:

**There are two types of Stafford Loans**-Subsidized and Unsubsidized. You may be eligible to receive one or both loan types. The **Subsidized Stafford Loan** is a need-based loan and is made available depending on your income and dependency status. With this loan, the government pays the interest that accrues prior to repayment, during your grace period, and during authorized periods of deferment. The **Unsubsidized Stafford Loan** is made available regardless of your income and dependency status and you are responsible for all of the interest that accrues over the life of the loan. Your financial aid office will let you know which loan types are available to you.

**Are there any fees associated with using the Federal Stafford Loan Program?** – Yes, all Federal Stafford Loans are assessed a loan fee by the federal government. This fee helps reduce the cost of making these low-interest loans. The federal government will deduct the fee from the loan before the borrower receives any loan money; therefore, the loan funds received by the borrower may be less than the amount they will repay.

**Borrowing Limits**- the amount you may borrow under the Stafford Loan program depends on your year in school and our dependency status. Review the Stafford Loan limits chart to help you estimate the amount available to you. ***You must be enrolled in at least half-time (6 credits) at the time of disbursement***

**Disbursement Information**- Your loan funds will be disbursed in two equal disbursements across semesters unless you will be attending for only one semester. Funds received in excess of the billed charges are refunded back to you. Refunds are normally sent to your \*mailing address. ***Make sure your mailing address is correct with the Admissions and Records office.***

## Loan Limits

Dependent Students	Fall	Spring	Total
Freshman	\$1750	\$1750	\$3500
Sophomore	\$2250	\$2250	\$4500
Independent Students	Fall	Spring	Total
Freshman	\$1750	\$1750	\$3500
Sophomore	\$2250	\$2250	\$4500

### Understand the necessity of Repayment –

It's important to remember that you must repay your loan even if you fail to complete your degree, are unhappy with your education, or can't find immediate employment after graduation. If you are late with just one payment—simply miss a payment—your loan will be considered delinquent and you may incur late fees. If you stop making Stafford Loan payments altogether, you'll be considered in default after 270 days have passed with no payment. Default is very serious and can negatively affect your credit rating for years. If you are ever unable to make your monthly loan payments, contact your lender or loan servicer immediately. Under certain conditions, you may be eligible for a deferment or forbearance and our loan payments may be temporarily reduced or stopped.

### Interest Rates

Subsidized Stafford—3.76% fixed  
Unsubsidized Stafford—3.76% fixed

### Student Rights

As a Stafford Loan Borrower, you have the rights to:

- Receive a copy of your Master Promissory Note
- Receive a repayment schedule
- Have a six month period before repayment begins
- Repay your loan at any time without penalty
- Apply for a deferment or forbearance if you can't make the payments
- Receive notice if your loan is transferred between servicing companies or is sold to another lender
- Receive notice when your loan has been paid in full

### Student Responsibilities

To fulfill your responsibilities as a Stafford Loan borrower, you must:

- Repay your loan even if you don't complete your education
- Make loan payments even if you don't receive a bill
- Carefully review the Terms and conditions of your loan.
- Keep copies of all your loan documents
- Complete Entrance Counseling before you receive loan funds and complete Exit Counseling before you begin repayment

**Contact your lender or loan servicer when you can't make a monthly payment, change your name, address, phone number, transfer between schools, or change your anticipated graduation date.**

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*Member, Virginia's Community College*

