Gavilan College is participating in the Direct Loan Program for the 2012-13 school year. Interest rates for the 2012-13 award year are fixed for Subsidized Direct Loans at 3.4%. Unsubsidized Direct Loans have a fixed interest rate of 6.8%. For Direct Subsidized and Unsubsidized loans with a first disbursement on or after March 1, 2013, the loan original fee will increase from 1 percent to 1.05 percent of the principle loan amount.

DIRECT LOAN APPLICATION CHECKLIST

1. Go to https://studentloans.gov to complete the Entrance Counseling and Master Promissory Note. Go to Manage My Direct Loan and click the Sign In button. You will need your last name, your date of birth and your FAFSA PIN number. Once you are signed in, go to Complete Entrance Counseling. Note: If you completed Direct Loan Entrance Counseling in 2011-12 for a loan at Gavilan College, you do not need to complete the entrance counseling again. Once you are at the end of Step 4 of the Entrance Counseling, and are at the Congratulations! Screen, print this page to verify you completed Entrance Counseling.

2. After you print the Congratulations! screen, click on the link You can submit a Master Promissory Note (MPN). New borrowers must submit verification of MPN submission; for detailed instructions on completing MPN, go to http://www.gavilan.edu/finaid/loans/index.html. NOTE: If you have completed the Direct Loan Master Promissory Note (MPN) for a loan through Gavilan College within the last 10 years, you can confirm your MPN status by clicking on Completed MPNs at the left hand side of the screen.

LOAN DOCUMENTS TO RETURN TO FINANCIAL AID:

- "Entrance Counseling" Congratulations! Screen (For New Direct Loan Borrowers)
- Verification of MPN (For New Direct Loan Borrowers)
- Student Budget Worksheets (pgs. 1 & 2)
- Request Form (pgs. 3-5)
- Loan Disclosure and Terms (pg. 6)

In some circumstances, per federal regulations, Gavilan College can modify or deny a student's loan request. **If your loan request is modified or denied, you will be notified in writing.** Loan requests may be denied for the following reasons:

- Loan application is incomplete
- Student is not making Satisfactory Academic Progress
- Student appears to be or has been in default or delinquent on financial obligations.
- Student does not understand rights and responsibilities of borrowing student loan.
- The purpose of the loan is not related to an educational goal at Gavilan College.
- Student has already borrowed to a maximum appropriate for Gavilan College programs. If you must request loans, you will be limited to 50% of your undergraduate maximum, i.e. $15,000 for dependent students and $28,750 for independent students.

The following policies and procedures apply to all Gavilan College loan recipients:

1. Gavilan College is a 2-yr institution. Students are only eligible to apply as 1st or 2nd year student.
2. Loans are available to students attending Gavilan College for at least half-time (6 units)

Revised 3/6/13
Student Budget Worksheet

There are four steps to complete this worksheet. We recommend you use a calculator to complete this worksheet. Make sure to take time to complete this budget as completely and accurately as possible, based on your expenses and income while in school for the academic year.

**Step 1: Identify your income sources**

<table>
<thead>
<tr>
<th>SECTION A</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships $________________ per term</td>
<td></td>
</tr>
<tr>
<td>Pell Grant $________________ per term</td>
<td></td>
</tr>
<tr>
<td>SEOG Grant $________________ per term</td>
<td></td>
</tr>
<tr>
<td>EOPS Grant $________________ per term</td>
<td></td>
</tr>
<tr>
<td>Cal Grant $________________ per term</td>
<td></td>
</tr>
<tr>
<td>TRIO Grant $________________ per term</td>
<td></td>
</tr>
<tr>
<td>CARE Grant $________________ per term</td>
<td></td>
</tr>
<tr>
<td>Book Vouchers $________________ per term</td>
<td></td>
</tr>
<tr>
<td>Parent’s contribution $________________ per term</td>
<td></td>
</tr>
</tbody>
</table>

**TERM TOTAL: $________________**

**TERM TOTAL**

Divided by 4.5  $________________ (A)

For MONTHLY TOTAL

**SECTION B**

<table>
<thead>
<tr>
<th>Source</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs &amp; wages</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Other income:</td>
<td></td>
</tr>
<tr>
<td>Federal Work Study</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>CalWORKs Work Study</td>
<td>$______________ per month</td>
</tr>
</tbody>
</table>

**MONTHLY TOTALS: $________________ (B)**

**GRAND TOTAL INCOME (A + B) $______________ PER MONTH (C)**

*Write amount of “Total Income” on Step 4A.

**Step 2: Identify fixed expenses**

<table>
<thead>
<tr>
<th>SECTION D</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-state tuition: $____________ per term</td>
<td></td>
</tr>
</tbody>
</table>

**TERM TOTAL**

Divided by 4.5  $______________ (D)

For MONTHLY TOTAL

**SECTION (E)**

<table>
<thead>
<tr>
<th>Source</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Books and supplies</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Rent/Room and board</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Cable/Internet Access</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Gas (cooking/heating)</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Phone(s)</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Electricity</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Car payment</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Insurance</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Credit cards</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Laundry</td>
<td>$______________ per month</td>
</tr>
<tr>
<td>Other:</td>
<td>$______________ per month</td>
</tr>
</tbody>
</table>

**TOTAL FIXED EXPENSES (D + E) $______________ PER MONTH (F)**

*Write amt of “Fixed Expenses” on Step 4B.*
Student Budget Worksheet (continued)

Step 3: Identify variable expenses

The items on this list are also important, but their cost can fluctuate from month to month. Depending on your budget, they also could be items you target first when trying to cut costs.

<table>
<thead>
<tr>
<th>SECTION G</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel $_________________________ per month</td>
<td></td>
</tr>
<tr>
<td>Gasoline $____________________________ per month</td>
<td></td>
</tr>
<tr>
<td>Transportation/Commute $________________ per month</td>
<td></td>
</tr>
<tr>
<td>Groceries/Toiletries $_____________________ per month</td>
<td></td>
</tr>
<tr>
<td>Eating out $___________________________ per month</td>
<td></td>
</tr>
<tr>
<td>Music/movies/entertainment $_____________ per month</td>
<td></td>
</tr>
<tr>
<td>Clothes $___________________________ per month</td>
<td></td>
</tr>
<tr>
<td>Medical/prescriptions $___________________ per month</td>
<td></td>
</tr>
<tr>
<td>Child care $__________________________ per month</td>
<td></td>
</tr>
<tr>
<td>Other: $_________________________ per month</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL VARIABLE EXPENSES:

*\$______________________ (G)  
*Write amount of “Variable Expenses” on Step 4C.

Step 4: Identify fixed expenses

How much do I need to borrow?

Total Income less Total Expenses equals Deficit.

A) Total Income \$________________

B) Subtract Fixed Expenses \$________________

C) Subtract Variable Expenses \$________________

D) Equals Monthly Deficit: \$________________

E) Multiply “Monthly Deficit” by 4.5  
*\$________________ = Term Total  
*Write “Term Total” on page 4, Step 1.

F) Multiply “Term Total” by 2  
**\$________________ = Annual Total  
**Write “Annual Total” on page 4, Step 1.
Loan Request Form

Career Objective

1. The educational goal/program I am enrolled in at Gavilan College is:

2. The career goal/type of work I plan to do after completing my educational goal is (including transfer if applicable):

3. The month and year I expect to complete my educational goal at Gavilan College:

4. I have developed a long term Educational Plan: Yes No

5. Do you plan to transfer to a four-year university?
   YES, by month & year:
   NO

6. I expect my annual starting salary in my profession will be $ .

Starting salary information may be found at http://www.salary.com

Aggregate Loan Limit

There is a maximum that the Department of Education will lend to a student to complete their undergraduate degree. The maximum loan amount is referred to as the aggregate loan limit. Fill in your maximum loan limit:

- The maximum loan limit for a dependent undergraduate student is $31,000.
- The maximum loan limit for an independent undergraduate student is $57,500.

Annual Loan Limit

There is a maximum that the Department of Education will lend a student each year, depending on their grade level and whether the student is a dependent student or independent student as follows:

<table>
<thead>
<tr>
<th>LOAN LIMIT</th>
<th>1st Year (Less than 30 units completed)</th>
<th>2nd Year (30 or more units completed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent student per FAFSA</td>
<td>$3,500 subsidized + $2,000 unsubsidized</td>
<td>$4,500 subsidized + $2,000 unsubsidized</td>
</tr>
<tr>
<td>Independent student per FAFSA</td>
<td>$3,500 subsidized + $6,000 unsubsidized</td>
<td>$4,500 subsidized + $6,000 unsubsidized</td>
</tr>
</tbody>
</table>
Loan Request Form (continued)

Step 1: Refer to “Student Budget Worksheet” on page 2, step 4. Based on your expenses, how much do you need to borrow for 2012-13 academic year? This loan needs to be paid back – borrow only what you need.

Term Total Needed $______________________ (from page 2, Step 4E).

Fall 2012 & Spring 2013
Total Needed $______________________ (from page 2, Step 4F).

$_____________________ + $_______________________ = $__________________
Subsidized Loan         Unsubsidized Loan
TOTAL LOAN REQUESTED for 2012/13

According to my “Student Budget Worksheet,” the purpose for the loan I am requesting is:

________________________________________________________________________________
________________________________________________________________________________
________________________________________________________________________________

Step 2: Identify your Federal Student Loan Debt & Remaining Loan Eligibility

Go to https://www.nslds.ed.gov to find out how much you have already borrowed from the Department of Education, then enter the amounts below.

$_____________________ + $_______________________ = $__________________
Subsidized Loan(s)   Unsubsidized Loan(s)
TOTAL LOAN DEBT

Per “Aggregate Loan Limit” section on page 3, maximum loan limits are:

The maximum loan limit for a dependent undergraduate student is $31,000.
The maximum loan limit for an independent undergraduate student is $57,500.

$_____________________ - $_____________________ - $_____________________ = $_________________
My aggregate loan limit Total Loan Debt Total Loan Requested Remaining Loan Eligibility
2012-2013 2012-2013 Loan Eligibility
Loan Request Form (continued)

Step 3: Determine your Estimated Loan Payment Amounts:

On a standard 10 year plan, my approximate loan payment will be $___________________ per month. A loan repayment calculator may be found at http://www.finaid.org/calculators/loanpayments.phtml.

A general guideline is that your student loan payment should be no more than 15% of your income, or you may be at risk of defaulting (not paying) your loan(s).

Step 4: Determine Loan Period

Identify the loan period you are eligible for. Please note, once funded, Financial Aid Office will not authorize change to your loan period for current aid year (Fall, Spring, Summer). Plan accordingly.

<table>
<thead>
<tr>
<th>Loan Period</th>
<th>When loan will be disbursed</th>
<th>Requirements</th>
</tr>
</thead>
</table>
|              | Fall 2012, Spring 2013      | ✓ Maintain academic progress per SAP Policy   
|              |                             | ✓ Earn at least 6 units in prior term, with 2.0 term GPA. |
|              | Fall 2012                   | ✓ Maintain academic progress per SAP Policy   
|              |                             | ✓ Earn at least 6 units in prior term, with 2.0 term GPA. |
|              |                             | ✓ Provide verification, Ed Plan, from counselor indicating Fall term is last term to complete Educational Goal at Gavilan. |
|              |                             | ✓ Financial Aid to verify Fall completion date with counselor. |
|              | Spring 2013                 | ✓ Maintain academic progress per SAP Policy   
|              |                             | ✓ Earn at least 6 units in prior term, with 2.0 term GPA. |
|              |                             | ✓ Provide verification, Ed Plan, from counselor indicating Spring term is last term to complete Educational Goal at Gavilan. |
|              |                             | ✓ Financial Aid to verify Spring completion date with counselor. |

Direct loans are disbursed in two payments over loan period. The first disbursement for first-time/first year borrowers is 30 days from the beginning of the semester.

My signature indicates I have provided accurate, truthful information & I understand requirements.

_________________________   __________________________
Student signature     Date
Loan Disclosure and Terms

- Students who are not maintaining academic progress are not eligible to apply for federal student loans for example: denied appeal, denied extension, disqualification status.

- Gavilan College Financial Aid will determine your academic program year, if you are 1st year or 2nd year student.

- No more than two loan requests per student, per academic year (Fall, Spring, Summer) will be processed.

- As listed on cover sheet, there are document deadlines each term. Loan requests will be evaluated on a case-by-case basis. Loan periods will be adjusted for students, in our professional judgment, based on expected (not prior) enrollment.

- Loan amounts may be reduced or denied for students that, in our professional judgment, are at serious risk for loan default. High levels of indebtedness (including loans from other colleges), coupled with a small amount of progress in an academic program, is a common indicator of high risk for default. Your loan amount will be denied or reduced if:
  - Have an undeclared major or undecided educational goal.
  - Have not enrolled in a Title IV eligible program of study (16 or more units in length).
  - Are not making steady progress in an eligible program or are not currently meeting Gavilan College satisfactory academic progress standards.
  - Have already borrowed to a maximum appropriate for earning the potential of Gavilan College programs. No more than 50% of your undergraduate maximum, i.e. $15,000 for dependent students and $28,750 for independent students.
  - Appear to be or have been in default or delinquent on financial obligations.
  - Have an incomplete or missing Student Budget Worksheet, Loan Request Form.
  - You do not progress academically for the term in which you receive loans. For example, if you do not earn at least 6 units with a 2.0 GPA for Fall 2012 term, you will lose eligibility for the Spring 2013 semester and your remaining loan disbursement will be canceled.

Obligations and responsibilities of student borrowers:

- Federal loans are not grants. I understand I must repay this debt.
- I understand the interest rate for unsubsidized Direct Loans is 6.8%. Subsidized Direct loans have a fixed interest rate of 3.4%.
- There is a 1.05 percent origination fee that will be deducted from each loan.
- Interest on subsidized loans is paid by the taxpayers while I am in college. I must be enrolled in and complete at least 6 units with a 2.0 GPA.
- I must pay the interest on unsubsidized loans while I am in college, or I may have it added to the principal (this increases the amount I must repay later).
- I must begin repaying the loan six months after I graduate, withdraw, or drop below half-time status.
- If I do not earn at least 6 units each semester with a term GPA of 2.0, I will lose loan eligibility for the following semester and my remaining loan disbursements will be canceled.
- My awards cannot exceed my cost of attendance. If additional grants, awards, or scholarships are added after a loan has been approved, my loan amounts will be reduced to accommodate the new awards. For example: EOPS grants, book vouchers, Gavilan Scholarships, Federal Work Study, CalWORKs Work Study, etc.

I have read and understand all of the above statements.

_________________________________  ____________________
Student signature     Date