

Semester Deadline

Monday May 6, 2019: Spring 2019

## GAVILAN COLLEGE DIRECT LOAN PROGRAM PACKET 2018 - 2019

### 2018-19 Subsidized & Unsubsidized Loan Information

- **Interest Rate**
  - Direct Subsidized Loan= 5.05%
  - Direct Unsubsidized Loan= 6.6%
- **Loan Origination Fees** (% deducted by Federal Loan Program per loan check)
  - 1.066%- 1<sup>st</sup> check disbursed between August 1, 2018 and September 30, 2018
  - 1.062%- 1<sup>st</sup> check disbursed after October 1, 2018

### **DIRECT LOAN online requirements for NEW Gavilan College borrowers**

Note: If you have completed Direct Loan Entrance Counseling and Master Promissory Note in 2012-13 or after for a loan at Gavilan College, you do not need to complete again).

#### **1. Entrance Counseling**

- Go to <https://studentloans.gov>
- On **Manage My Direct Loan**, click the **Sign In** button. Sign in using your FSA ID.
- Select **Complete Counseling**, then click on **Start Entrance Counseling** button.
- Enter **State & School** to be notified. Then select **Undergraduate** for student type.
- Complete steps 1-4.
- Print the **Congratulations!** screen, to verify you completed Entrance Counseling.

#### **2. Master Promissory Note (MPN)**

- Select the **Complete Master Promissory Note** link (middle section).
- Select Type of Loan: **Subsidized/Unsubsidized**.
- Complete following sections: **Personal Information, School Information, Personal References, Terms & Conditions, Review & Sign**.
- Print copy of MPN for your records.

### **LOAN DOCUMENTS TO RETURN TO FINANCIAL AID:**

- “Entrance Counseling” Congratulations! Screen (**For New Direct Loan Borrowers**)
- Verification of MPN (**For New Direct Loan Borrowers**)
- Educational Plan or Unofficial Degree Audit (from your MyDegree Works)
- Direct Loan Packet (Cover page and pgs. 1-7)

Gavilan College Financial Aid will evaluate all loan requests on case-by-case and will reduce or deny loan requests 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.

**\*\*If your loan request is modified or denied, you will be notified in writing. Loan requests may be denied for the following reasons:**

- Student is not enrolled in at least 6 units.
- Loan application is incomplete.
- Student is not making Satisfactory Academic Progress and/or lack of academic readiness.
- 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.
- Students at risk of loan default due to high levels of indebtedness.

Name \_\_\_\_\_

## Budget

There are two 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: List Your Expenses for 2018-2019

#### EDUCATION

Tuition: \$ \_\_\_\_\_ semester

Books: \$ \_\_\_\_\_ semester

Fees \$ \_\_\_\_\_ semester

Supplies: \$ \_\_\_\_\_ semester

#### HOUSING

Mortgage \$ \_\_\_\_\_ per month

Rent \$ \_\_\_\_\_ per month

Utilities \$ \_\_\_\_\_ per month

Telephone \$ \_\_\_\_\_ per month

FOOD \$ \_\_\_\_\_ per month

TRANSPORATION \$ \_\_\_\_\_

HEALTH \$ \_\_\_\_\_

#### OTHER,

Please list expense &amp; amount

\_\_\_\_\_ \$ \_\_\_\_\_

### Step 2: List resources/income

#### INCOME FROM WORK

##### Monthly Wages

Student: \$ \_\_\_\_\_

Spouse: \$ \_\_\_\_\_

#### FAMILY CONTRIBUTIONS *(money received to help with your expenses)*

Parents \$ \_\_\_\_\_

Friends/Relatives \$ \_\_\_\_\_

#### NONTAXABLE INCOME PER MONTH

TANF/CalWORKs \$ \_\_\_\_\_

Veteran Benefits \$ \_\_\_\_\_

Social Security \$ \_\_\_\_\_

Others \$ \_\_\_\_\_

#### FA AWARDS (SEE MY GAV): 2018-2019

BOG Waiver \$ \_\_\_\_\_

Pell Grant \$ \_\_\_\_\_

SEOG \$ \_\_\_\_\_

Book Vouchers \$ \_\_\_\_\_

Book voucher provided by:

\_\_\_\_\_

Other grants, list name &amp; amount

\_\_\_\_\_ \$ \_\_\_\_\_

#### SCHOLARSHIPS

Please list scholarship name &amp; amount:

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

Name \_\_\_\_\_

## Consequences of Default

There are real consequences to defaulting (not repaying your student loan).

Please read each & initial each statement.

- Your loans may be turned over to a **collection agency** and you'll be charged collection costs.

**Initials:** \_\_\_\_\_

- You can be **sued** in federal district court for the entire amount of your loan.

**Initials:** \_\_\_\_\_

- You'll be liable for costs associated with collecting your loan, including **court costs and attorney fees**. **Initials:** \_\_\_\_\_

- **Credit report damage** (7-year minimum). Your defaulted loans will appear on your credit history for up to 7 years after the default is paid, making it difficult for you to obtain a car loan, mortgage, or even credit cards. The US Dept. of Education reports defaulted loans to TransUnion, Equifax and Experian. **Initials:** \_\_\_\_\_

- Your **wages may be garnished**. (This means your wages are reduced to pay this loan.) Federal law limits the amount that may be garnished to 15% of the borrower's take-home or 'disposable' pay. **Initials:** \_\_\_\_\_

- Your **federal and state income tax refunds** may be intercepted. **Initials:** \_\_\_\_\_

- Seizure of portion of any federal payment. **Initials:** \_\_\_\_\_

- You may **lose state occupational license**. (i.e. Nursing, Cosmetology). **Initials:** \_\_\_\_\_

- No mortgage loans. **Initials:** \_\_\_\_\_

- May have difficulty obtaining car loans. **Initials:** \_\_\_\_\_

- May be unable to rent an apartment. **Initials:** \_\_\_\_\_

- May be turned down for jobs. **Initials:** \_\_\_\_\_

- You become **ineligible for federal financial aid programs** like Pell Grant, SEOG, and Federal student loans) **Initials:** \_\_\_\_\_

Name \_\_\_\_\_

## References (Required)

*Incomplete references will result in loan request being denied.*

<b>Your Current Employer</b> Company: _____ Address: _____ Telephone: (    ) _____ <input type="checkbox"/> Check here if you're not working.	
<b>Mother or Guardian's Name and Address (required)</b> Last Name: _____ First Name: _____ Street: _____ City: _____ State/Zip: _____ Home Phone: (____) _____ Cell: (____) _____ Email: _____ <input type="checkbox"/> Check here if Mother/Guardian is Deceased. Mother/Guardian's Employer: Company: _____ Phone: (____) _____ Address: _____	<b>Father or Guardian's Name and Address (required)</b> Last Name: _____ First Name: _____ Street: _____ City: _____ State/Zip: _____ Home Phone: (____) _____ Cell: (____) _____ Email: _____ <input type="checkbox"/> Check here if Father/Guardian is Deceased. Father/Guardian's Employer: Company: _____ Phone: (____) _____ Address: _____

**You must list 2 friends and/or relatives who will know how to reach you.** (Must have a different address than yours and different addresses from each)

<b>Relationship to you:</b> _____ Last Name: _____ First Name: _____ Street: _____ City: _____ State/Zip: _____ Home Phone: (____) _____ Cell: (____) _____	<b>Relationship to you:</b> _____ Last Name: _____ First Name: _____ Street: _____ City: _____ State/Zip: _____ Home Phone: (____) _____ Cell: (____) _____
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Name \_\_\_\_\_

## Loan Request Form

### Career Objective

1. According to my educational plan or Unofficial Degree Audit, my educational goal/program at Gavilan College is:  
\_\_\_\_\_

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2. The month and year I expect to complete my educational goal **at Gavilan College**:  
\_\_\_\_\_
3. Do you plan to transfer to a four-year university?  
\_\_\_\_\_ YES, by month & year: \_\_\_\_\_ \_\_\_\_\_ NO
4. The career I plan to do after completing **all** my education (at Gavilan and university if applicable): \_\_\_\_\_
5. I expect my annual starting salary in my career will be \$\_\_\_\_\_.  
Starting salary information may be found at <http://www.mynextmove.org>.  
(Career/Salary can be searched using "key words" or by "industry". Salary is displayed in "Job Outlook Box")

### Aggregate Loan Limit

There is a maximum that the Department of Education will lend to a student to complete their undergraduate degree (*Associate & Bachelor Degree Programs*). The maximum loan amount is referred to as the aggregate loan limit. Fill in your maximum loan limit:

- Dependent undergraduate student is \$31,000.
- 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:

LOAN LIMIT	1 <sup>st</sup> Year (Less than 30 units completed)	2 <sup>nd</sup> Year (30 or more units completed)
Dependent student per FAFSA	\$3,500 subsidized + \$2,000 unsubsidized	\$4,500 subsidized + \$2,000 unsubsidized
Independent student per FAFSA	\$3,500 subsidized + \$6,000 unsubsidized	\$4,500 subsidized + \$6,000 unsubsidized

### Direct Subsidized Time Limit (at Gavilan)

For first time borrowers on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. If this limit applies to you, you may not receive Direct Subsidized Loans for more than 150 percent of you declared program. This is called your "maximum eligibility period." *For example, if you are enrolled in a two-year associate degree program, the maximum period for which you can receive Direct Subsidized Loans is three years (150 percent of 2 years = 3 years). If you are enrolled in a one-year certificate program, the maximum period for which you can receive Direct Subsidized loans is one and a half years (150 percent of 1 year= 1.5 years).* More information available on: <https://studentaid.ed.gov/types/loans>.

Name \_\_\_\_\_

## Loan Request Form

### Step 1: List Educationally Related Expenses

TYPE OF EXPENSE	AMOUNT
	\$
	\$
	\$
	\$
	\$
	\$

**\*TOTAL Expenses for 2018-2019**      \$ \_\_\_\_\_

I am requesting loan funds to cover the educationally related expenses listed above.  
**(Note: This loan needs to be paid back – borrow only what you need.)**

**Loan amount Requested:**      \$ \_\_\_\_\_

*\*Total expenses will be reviewed and considered for Subsidized Loan first. Any remaining eligibility will be reviewed for Unsubsidized loan, which accrues interest from the time the funds are applied to your student account.*

Are you requesting Unsubsidized loans (if Subsidized loan eligibility is limited)?    \_\_\_NO \_\_\_YES

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

Go to <https://www.nsls.ed.gov> to find out your current federal student loans debt

\$ \_\_\_\_\_ + \$ \_\_\_\_\_ = \$ \_\_\_\_\_  
 Subsidized Loan(s)                      Unsubsidized Loan(s)                      **TOTAL LOAN DEBT**

#### **Aggregate Loan Limits for undergraduate (Associate & Bachelor's degrees combined)**

The maximum loan limit for a dependent undergraduate student is \$31,000.

The maximum loan limit for an independent undergraduate student is \$57,500.

### 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>. *General guideline: 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).*

Name \_\_\_\_\_

## Loan Request Form

### **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.

<b>Loan Period:</b>		
<b>When loan will be disbursed</b>		<b>Requirements</b>
<input type="radio"/>	Fall/Spring 2018-19	<input checked="" type="checkbox"/> Maintain academic progress per SAP Policy <input checked="" type="checkbox"/> Earn at least 6 units in prior term, with 2.0 term GPA.
<input type="radio"/>	Spring/Summer 2018-19	<input checked="" type="checkbox"/> Maintain academic progress per SAP Policy <input checked="" type="checkbox"/> Earn at least 6 units in prior term, with 2.0 term GPA.
<input type="radio"/>	Spring 2019 Only	<input checked="" type="checkbox"/> Maintain academic progress per SAP Policy <input checked="" type="checkbox"/> Earn at least 6 units in prior term, with 2.0 term GPA.
<p>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.</p>		

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

1. If you have units from other colleges and would like to have your academic progress from this college considered for 2018-2019 loan application review, please submit an official transcript with your loan application packet.
2. If you have units from other colleges and would like to be considered for a 2<sup>nd</sup> year loan, you are required to meet with a counselor to evaluate your transcripts for applicable units towards Gavilan major. You are required to submit an updated Ed Plan Verifying transcript evaluation. Ed Plan appointments are available September – November and February – April.
3. Gavilan College is a 2-yr institution. Students are only eligible to apply as 1<sup>st</sup> or 2<sup>nd</sup> year student.
4. Loans are available to students attending Gavilan College for at least half-time (6 units)

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

 \_\_\_\_\_  
 Student signature

 \_\_\_\_\_  
 Date

Name \_\_\_\_\_

## Loan Disclosure and Terms

- Federal regulations state that effective July 1, 2013, first time borrowers will have a limit on maximum period of time available to receive Direct Subsidized Loans (loans with the lowest interest rate). Maximum Period will be 150% of declared Program of Study. Only "Unsubsidized" Loan funds may be offered to first time borrowers who've exceeded the maximum timeframe.
- Students who are not maintaining academic progress are not eligible to apply for federal student loans for example: denied appeal, denied extension, disqualification status, or Ineligible status.
- Gavilan College Financial Aid will determine your academic program year, if you are 1<sup>st</sup> year or 2<sup>nd</sup> 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 may be denied or reduced if you:**
  - Are not enrolled in 6 units or more per semester.
  - Have an undeclared or ineligible major. (*List of financial aid eligible majors:* [http://www.gavilan.edu/finaid/eligible\\_maj.php](http://www.gavilan.edu/finaid/eligible_maj.php)).
  - Are not maintaining steady academic progress (Satisfactory Academic Progress Policy: <http://www.gavilan.edu/finaid/sap.php>).
  - Students at risk of loan default due to high levels of indebtedness.
  - 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 as of your last term. For example, if you do not earn at least 67% of your units with a 2.0 GPA or higher for Fall 2018 term, you will lose eligibility for the Spring 2019. Any remaining loan disbursement will be cancelled.

### ***Obligations and responsibilities of student borrowers:***

- Federal loans are not grants. I understand I must repay this debt.
- There is a **1.066** percent origination fee that will be deducted from each loan check for loans with first disbursement between August 1, 2018 and September 30, 2018.
- There is a **1.062** percent origination fee that will be deducted from each loan check for loans with first disbursement on or after October 1, 2018.
- Interest on subsidized loans is paid by the taxpayers while I am in college. I must be enrolled in at least 6 units.
- 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 67% of my units each semester with a term GPA of 2.0 or higher, 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.***

Signature: \_\_\_\_\_

Date: \_\_\_\_\_