



Dear Student:

You have indicated that you are interested in applying for a Direct Student Loan. In order to be considered for a loan, you must have a complete financial aid file, enroll in a least six credit hours in a financial aid eligible program and be making satisfactory academic progress. Please complete the following steps to apply for a Direct Student Loan:

1. [Entrance Counseling | Federal Student Aid](#) is required for Direct Student Loan borrowers. You don't have to complete this step if you have already completed entrance counseling.
2. Once your entrance counseling has been submitted, complete and electronically sign your Master Promissory Note (MPN) at [Completing a Master Promissory Note | Federal Student Aid](#) as an undergraduate student. You don't have to complete a new MPN if one was completed in the past. HOWEVER, the MPN does have an expiration date. Please make sure yours hasn't expired. If it has, you are required to complete a new MPN.
3. Apply for a loan by submitting the attached Federal Direct Loan Request form to the Financial Aid Office.

Once you have completed all of the above steps and been determined eligible, you will be awarded a student loan and will receive an award letter via email. You must log into your Student Portal and select My Financial Aid. **NOTE: You must be in the correct term for the awards to appear.**

**AWARD AND LOAN DISBURSEMENT INFORMATION:**

- *You may not be eligible for full amount of loans requested based on your cost of attendance, enrollment, and any additional funds you may be receiving (i.e., grants and scholarships). If you are not eligible for the loan amount you requested, you will be awarded the maximum amount for which you qualify.*
- *Annual loan amounts are divided equally between terms.*
- *If you are a first time student borrower, your 1<sup>st</sup> loan disbursement will occur 30 calendar days from the start of the term.*
- *If you are graduating this school year and only attending one semester, your loans are subject to proration.*
- *Be enrolled in 6 or more credits to be eligible for Direct Stafford loans.*
- *If you are a first time student loan borrower, complete loan entrance counseling online.*
- *Complete the Direct Loan Master Promissory note (MPN for an undergraduate student).*
- *One semester loans are disbursed in two equal disbursements during the term. The first disbursement, if not a first time borrower, occurs after census date; the second disbursement occurs at the mid-point of the semester.*
- *All debt owed to ASU - Beebe will be deducted from your financial aid award before you may receive a financial aid refund. If the amount of your financial aid award does not cover your obligation, in full, you are responsible for paying the balance owed. After your bill is paid and if there are excess funds on your account, you will receive a financial aid refund within four weeks after the first day of class. Disbursement is contingent on your file being complete and that all eligibility criteria are met.*

If you have further questions about the financial aid process, please contact the ASU - Beebe Financial Aid Office.

Sincerely,

Financial Aid Office

Your eligibility for loan funds will be determined based upon your enrollment at ASU - Beebe, the period of the loan, the educational costs for this period, and the anticipated financial resources you will receive during the period of the loan. Your loan may be subsidized or unsubsidized depending upon your financial need, as determined by the FAFSA.

**Subsidized Stafford:** Students must have unmet financial need as determined by the FAFSA. The government will pay the interest on the loan during the in-school period. The interest rate for undergraduate subsidized loans disbursed after students, the interest rate is a fixed interest rate. Please note that the fixed rate is determined annually on July 1<sup>st</sup>.

**150 Percent Subsidized Loan Limit:** There is a limit on the maximum period to time (measured in academic years) that students may receive Direct Subsidized Loans. Once a student has reached their maximum period of time and enroll in an undergraduate program (of equal to or less than the number of required credits) and have not graduated, will lose their interest subsidy for all of their outstanding subsidized loans. A student will then be eligible to apply for only unsubsidized loan funds.

**Unsubsidized Stafford:** If your loan is unsubsidized, the interest will accrue on the loan while you are in school. Students may choose to pay the interest quarterly during the in-school period, or capitalize the interest until repayment of the loan begins. The interest rate is an annual fixed interest rate. The annual interest rate is determined on July 1<sup>st</sup>.

**Master Promissory Note:** A promissory note is a binding legal document you sign when you get a student loan. It contains the loan terms and conditions under which you are borrowing and the terms under which you agree to pay back the loan. It is important to read, understand, and save this document. You must complete a new loan acceptance form for each loan period. You must complete a new master promissory note if you are a first-time borrower, if you have changed lenders, or if your loan has been sold to the U.S. Department of Education or other lender/servicer. To determine if your loan has been sold, please review your loans on the National Student Loan database at [www.nslds.ed.gov](http://www.nslds.ed.gov). You may also contact your current lender to ensure they have a valid master promissory note on file.

**Repayment Begins:** Six months after a student graduates or drops below half-time enrollment.

**Origination Fee and Interest Rates:** Prior to the disbursement of your loan funds, the U. S. Department of Education subtracts a percentage of the loan amount to process your loan. The fee is called an Origination Fee and is revised annually on October 1<sup>st</sup>. The interest rate is determined annually by July 1<sup>st</sup>.

**Enrollment Status:** Students must be enrolled half-time. Half-time for undergraduates is 6 credit hours. Half-time for graduates is four credit hours. Students who drop below half-time will have future disbursements cancelled and must complete exit loan counseling. For example, if the student is approved for a fall/spring loan and drops below half-time in the fall, the spring portion of the loan will be cancelled and the student will need to reapply for the loan if they want loan funds for spring. This process can delay the receipt of spring loan funds. For summer loans students must be enrolled in six credit hours and at least one course must be in the regular eight-week summer term.

**Disbursement:** Loan funds are disbursed in accordance with the Federal Student Aid Guidance published by the Department of Education. Additional disbursement rules apply for student's receiving financial aid on a probationary status.

**Right to Cancel:** You have the right to request cancellation of any part of this loan for a period of up to 14 days after receiving your and submit the written request to the ASU - Beebe Financial Aid Office.

**Entrance Counseling:** An information session which takes place before the loan is disbursed and is required for all ASU -Beebe loan borrowers. The session explains your rights and responsibilities as a student loan borrower. Entrance counseling may be completed through an online counseling session, in person with your financial aid counselor, or by mail.

**Exit Counseling:** An information session which must be completed when the student loan borrower ceases half-time enrollment or graduates. The session provides information on your loans and when repayment begins. Exit counseling may be completed through an online counseling session, in person with your financial aid counselor, or by mail.

If a student borrower has a complaint that has been not resolved by the lender, guarantor, or institution, the student may contact the Student Loan Ombudsman's Office at:

email: [fsaombudsmanoffice@ed.gov](mailto:fsaombudsmanoffice@ed.gov)

On-line: [www.ombudsman.ed.gov](http://www.ombudsman.ed.gov)

Phone: 877-557-2575



Summer 2021 Direct Loan Request Form

Name: Student ID: Academic Program: Anticipated Graduation Date: Phone Number: Email: Attending Campus: What are your living arrangements for Summer 2021? I plan to attend the following sessions:

DIRECTIONS TO APPLY FOR A FEDERAL DIRECT STUDENT LOAN

- 1. Be enrolled in 6 or more credits to be eligible for Direct Stafford loans.
2. If you are a first time student loan borrower, complete loan entrance counseling.
3. If you are a first time student loan borrower, complete Stafford Direct Loan Master Promissory Note (MPN).
4. Complete this form and return it to the ASU - Beebe Financial Aid Office.

AWARD AND LOAN DISBURSEMENT INFORMATION:

- The loan amount awarded is based on your cost of attendance, enrollment, and any additional funds you may be receiving (i.e., grants and scholarships).
Annual loan amounts are divided equally between terms.
Single semester loans are disbursed in two equal disbursement during the term.
If you are a first time student borrower, your 1st loan disbursement will be disbursed 30 calendar days from the start of the semester.
If you are graduating this academic year and only attending one semester, your loans are subject to proration.

Table with columns: STUDENT STATUS, Subsidized, Unsubsidized, Total Loan Amount. Rows include Dependent 1st Year, Dependent 2nd Year, Independent 1st Year, Independent 2nd Year, and MAXIMUM LOAN LIMITS.

Total loan amount requested: \$ (Please do not write "Maximum" or leave blank - must be a dollar amount)

NOTE: Remember to borrow ONLY what you need. If you plan to attend the 2020 summer session and will need to borrow a Direct Loan, request the amount you need for fall and spring, leaving funds available for the summer session(s).

Your Direct Loan will be processed as either SUBSIDIZED or UNSUBSIDIZED, depending upon your eligibility. Subsidized loan funds are considered first in the awarding of a student loan.

If I'm not eligible for the amount I requested for a subsidized loan, I want to borrow an unsubsidized loan or have my unsubsidized loan increased to the total amount requested. I understand that I am responsible for all interest accrue on these funds.

Please answer: ( ) YES ( ) NO

Direct Subsidized Loan: Interest and repayment of this loan begins six months after you graduate/withdrawn or are enrolled for less-than-half-time.

Direct Unsubsidized Loan: Interest begins at the time the loan funds are disbursed to the college. Repayment on this loan begins six months after you graduate/withdrawn or are enrolled for less-than-half-time.

Note: You may begin repayment on either loan type prior to the six month mark or pay the loan(s) off early without any penalty.

By signing this form I have read and understand the information presented in the loan packet and this form. Under no circumstances will more than 50% of my student loan eligibility be disbursed at one time unless it is past the second or subsequent disbursement date.

Student Signature Date

RETURN THIS COMPLETED FORM TO THE ASU - Beebe FINANCIAL AID OFFICE