# FEDERAL DIRECT SUBSIDIZED/UNSUBSIDIZED LOAN
## 2018-2019 REQUEST FORM

**STUDENT NAME** (Print): ____________________________ **NECC ID:** ____________________________

1. Check one (must be completed before your loan request can be reviewed):

   - [ ] I am a **first time** Federal Direct Subsidized/Unsubsidized Loan borrower.
     - Go to [www.studentloans.gov](http://www.studentloans.gov) and complete both a and b. NECC must be included as the institution to receive electronic notification of completion.
     - a. Entrance Counseling session. Date completed (mm/dd/yyyy): ____________________________
     - b. Master Promissory Note. Date completed (mm/dd/yyyy): ____________________________

   - [ ] I have borrowed a Federal Direct Subsidized/Unsubsidized Loan before.
     - a. **If this is your first loan at NECC:** You must complete entrance counseling at [www.studentloans.gov](http://www.studentloans.gov) and include NECC as the institution to receive electronic notification of completion.
     - Date completed (mm/dd/yyyy) ____________________________
     - b. **All students with prior loans:** Go to [www.NSLDS.ed.gov](http://www.NSLDS.ed.gov). Click on Financial Aid Review and follow instructions to sign in.
     - Report your total loan balance here. $ ____________________________

2. This loan is for (check only one):

   - [ ] Fall and Spring  [ ] Spring only  [ ] Summer

   - [ ] Fall Only – December 2018 Graduates  [ ] Fall Only – Other Reason (Contact Financial Aid)

3. **Direct Loans are to be used for educational expenses only. Please indicate what this loan will be used for:**

   (Direct student loans may not be used for the purchase of cars, furniture, vacations, or costs covered by financial aid. You may be asked to submit additional documentation to the Financial Aid Office regarding your expenses.)

   - [ ] Tuition and Fees  [ ] Rent/Living Expenses  [ ] Childcare
   - [ ] Books and Supplies  [ ] Computer/Tablet  [ ] Transportation

4. **How much are you requesting to borrow?** $ ____________________________

   (There is a 1.066% origination fee deducted from your loan when it is disbursed.)

   - [ ] This is my first request for a loan this year.
   - [ ] This is a request for additional loan for this year and my total loan for the year is $ ____________________________

**I understand and agree to the following:** My loan request will be split evenly and disbursed in 2 separate payments to my account. I must maintain six credits throughout the semester to receive loan proceeds. If I drop below 6 credits, my loan may be cancelled. If I drop classes or stop attending school after my loan has been disbursed to my student account, it could be prorated or cancelled and I may owe money to NECC. The amount I request may be reduced or rejected based on annual loan limits, federal regulations, or NECC policy. I must repay my loans even if I don’t complete my education or if I am unable to get a job after I complete my program.

**STUDENT SIGNATURE** ____________________________ **DATE** ________________

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**FOR FINANCIAL AID OFFICE USE ONLY:**

Processed by: ____________________________ Date: ________________ SULA: _______ LREQ ______

Grade Level: _______ Dependency Status: _______ Amount awarded: _______ Sub _______ Unsub

Comments: __________________________________________________________________________
Northern Essex Community College (NECC) participates in the Federal Direct Subsidized/Unsubsidized Student Loan program administered by the U.S. Department of Education and NECC. Loans are financial assistance that must be repaid after you graduate or when you drop below six credits in a term. Complete information about student loans can be found on www.studentloans.gov.

HOW DO YOU APPLY FOR A FEDERAL DIRECT SUBSIDIZED/UNSUBSIDIZED STUDENT LOAN?
You must first complete the FAFSA (Free Application for Federal Student Aid) FOR 2018-2019 at www.fafsa.ed.gov and indicate NECC (School code 002174) as the school to receive the processed information. When NECC receives the processed information, you may be asked to provide information to verify your application. The Financial Aid Office determines your eligibility for a Federal Direct Subsidized and/or Unsubsidized Loan based on the number of credits you are taking, your satisfactory academic progress status, and your cost of attendance. Use the request form on the reverse side to apply for your loan. All first time borrowers must complete an Entrance Interview and a Master Promissory Note.

WHAT IS THE DIFFERENCE BETWEEN A SUBSIDIZED AND UNSUBSIDIZED LOAN?
The Federal Direct Subsidized Loan is offered to students who demonstrate financial need according to federal regulations. The Federal Government pays the interest while the student is enrolled in at least 6 credits. Therefore, no interest accrues while the student remains enrolled in 6 credits or more. The Federal Direct Unsubsidized Loan is offered to students who do not qualify, on the basis of calculated financial need, for a Federal Direct Subsidized Loan or who qualify for only a portion of the Federal Direct Subsidized Loan annual limit. Interest accrues on a Federal Direct Unsubsidized Loan after the loan is disbursed regardless of the student’s enrollment status. As of July 1, 2018, the interest rate for both the subsidized and unsubsidized loan is 5.05%, fixed for the life of the loan. Interest rates usually change on July 1 of each year.

HOW MUCH CAN I BORROW EACH YEAR?
This chart shows the MAXIMUM amount that a student may borrow each academic year. If you borrow the maximum amount during fall & spring, you will not have eligibility for summer. There are other restrictions based on your grade level and the percentage of the program that you have completed. You are advised to use care in determining if and how much you should borrow. Please do not hesitate to ask for assistance or advice in making this decision. Your loans are a part of your present and your future.

<table>
<thead>
<tr>
<th>Annual Loan Maximums set by the Federal Government</th>
<th>Freshmen</th>
<th>Sophomore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidized Only</td>
<td>$3,500</td>
<td>$4,500</td>
</tr>
<tr>
<td>Subsidized &amp; Unsubsidized (Dependent student) Total</td>
<td>$5,500</td>
<td>$6,500</td>
</tr>
<tr>
<td>Subsidized &amp; Unsubsidized (Independent student) Total</td>
<td>$9,500</td>
<td>$10,500</td>
</tr>
</tbody>
</table>

HOW DO I DETERMINE HOW MUCH I NEED TO BORROW?
Loans must be repaid. Educational borrowing should be limited whenever possible. Borrowing money for your education is a serious and binding legal obligation. Defaulted loans affect your future credit and your future eligibility for financial aid.

To borrow enough to cover your billed charges, take your billed charges (tuition, fees and health insurance that can’t be waived) and subtract any financial assistance received (Pell Grant, Mass Grant, etc.). $__________

To borrow additional funds to cover books and supplies, estimate the amount you need for books and supplies $__________

Other expenses: Computer, transportation, living expenses. $__________

TOTAL TO BORROW (Remember to add the 1.066% origination fee) $__________

WHEN CAN I GET MY REFUND?
Loans are first applied to any outstanding charges at NECC. Loan processing can take time, especially during peak times. Once your bill is paid, you may be eligible for a refund when your loan is disbursed. Loans cannot be disbursed until 30 days after the semester begins, and may be disbursed in 2 payments. At the time of disbursement, you must be enrolled in 6 credits or more. If you drop classes or stop attending classes, your loan may be prorated or cancelled and you may owe the college money. Refunds may not be available on the day the loan is disbursed. Plan your finances accordingly. Electronic disbursements are often quicker than mailed paper checks and can be set up on myNECC portal.

If you do not understand the information or have questions, please contact the Financial Aid Office at aid@necc.mass.edu.