



How to complete this form
1. Review the information on the reverse of this form.
2. Contact your financial aid counselor if you have any questions.
3. Complete all sections of this form and submit to Student Financial Services.

2019-2020 FEDERAL DIRECT SUBSIDIZED/UNSUBSIDIZED LOAN REQUEST FORM

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

<input type="checkbox"/> I am a <i>first time</i> Federal Direct Subsidized/Unsubsidized Loan borrower. Go to www.studentloans.gov and complete both requirements below. NECC must be included as the institution to receive electronic notification of completion. <ul style="list-style-type: none"> • Entrance Counseling session. Date completed (mm/dd/yyyy): _____ • Master Promissory Note. Date completed (mm/dd/yyyy): _____ 	<input type="checkbox"/> I have borrowed a Federal Direct Subsidized/Unsubsidized Loan before. <i>All students with prior loans:</i> Go to www.NSLDS.ed.gov . Click on Financial Aid Review and follow instructions to sign in. Report your total loan balance here. \$ _____ <i>If this is your first loan at NECC</i> you must also complete entrance counseling at www.studentloans.gov and include NECC as the institution to receive electronic notification of completion. Date completed (mm/dd/yyyy): _____
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2. How much are you requesting to borrow? \$ _____

There is a 1.062% origination fee deducted from your loan when it is disbursed.

- This is my first request for a loan this aid year 2019-2020.
- This is a request for additional loan for this year and my total loan for the year is \$ _____.

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

- Fall and Spring
- Spring only
- Summer
- Fall Only – December 2019 Graduates
- Fall Only – Other Reason (Contact Financial Aid)

4. 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 Student Financial Services regarding your expenses.)

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

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 NAME (PRINT) _____ ID# _____
 STUDENT SIGNATURE _____ DATE _____

FOR FINANCIAL AID OFFICE USE ONLY:

Processed by: _____ Date: _____ SULA: _____ LREQ: _____
 Grade Level: _____ Dependency Status: _____ Amount awarded: _____ Sub _____ Unsub _____
 Comments: _____



2019 - 2020 FEDERAL DIRECT SUBSIDIZED/UNSUBSIDIZED LOAN INFORMATION SHEET

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 2019-2020 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. Student Financial Services determines your eligibility for a Federal Direct SUBSIDIZED and/or UNSUBSIDIZED Loan based on the number of credits you are taking, your academic standards and 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, 2019, the interest rate for both the subsidized and unsubsidized loan is **4.53%**, 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.**

Annual Loan Maximums set by the Federal Government	Freshmen	Sophomore
Subsidized Only	\$3,500	\$4,500
Subsidized & Unsubsidized (Dependent student) Total	\$5,500	\$6,500
Subsidized & Unsubsidized (Independent student) Total	\$9,500	\$10,500

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 1.062% 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:
STUDENT FINANCIAL SERVICES AT sfs@necc.mass.edu**