STUDENT NAME (PRINT) _______________________________ ID# ____________________

1. Check one (all requirements must be completed before your loan can be disbursed):
   - I am a first time Federal Direct Student Loan Borrower.
     - You must complete the Loan Entrance Counseling and Master Promissory Note at www.studentaid.gov
     - It will take 3 – 5 business days for NECC to receive the electronic form.
   - I have borrowed a Federal Direct Student Loan before.
     - Go to www.studentaid.gov and follow instructions to sign in.
     - Report the total amount of your previously borrowed student loans here ________________
     - If this is your first loan at NECC, you must also complete Loan Entrance Counseling and Master Promissory Note requirements at www.studentaid.gov

2. How much are you requesting to borrow? $______________________________
   Keep in mind that there is a 1.057% origination fee deducted from your loan. If you need help to determine the amount to borrow, a budget calculator can be found at www.finaid.org
   - This is my first loan request for the 2021-2022 award year.
   - This is a request for additional loan for this year.
     My 2021-2022 loan already borrowed + this request = $ __________________________

3. This loan is for (check only one):
   - Fall 2021 & Spring 2022
   - Fall Only – Graduating in December 2021
   - Spring 2022 Only
   - Fall Only – Other. Explain __________________________________________________________________
   - Summer 2022 Only
   - Other – Contact FA Counselor __________________________________________________________________

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 other financial aid. You may be asked to submit additional documentation to Financial Aid regarding your expenses.)
   - Tuition and Fees
   - Rent/Living Expenses
   - Childcare
   - Books and Supplies
   - Computer/Tablet
   - Transportation

By signing below, I certify that I understand and agree to the following:
   - In most cases, my loan request will be evenly split and disbursed in 2 or more payments to my account.
   - I must be enrolled in six credits or more to receive loan proceeds and 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________________________

Student signature must be an original signature (hand-written) and cannot be electronically generated.
Northern Essex Community College (NECC) participates in the Federal Direct Student Loan program administered by the U.S. Department of Education and NECC. Loans are financial assistance that must be repaid. Complete information about student loans can be found on www.studentaid.gov.

**HOW DO YOU APPLY & QUALIFY FOR A FEDERAL DIRECT STUDENT LOAN?**

- Complete the FAFSA (Free Application for Federal Student Aid) for 2021-22 at www.studentaid.gov.
- Provide requested documents to Financial Aid if your FAFSA has been selected for verification.
- Enroll in a degree or certificate program, in 6 credits or more.
- Meet all satisfactory academic progress requirements as indicated in the college catalog.
- Not be in default on a prior student loan or owe an overpayment to the Federal Government.
- Complete the Loan Request form on the reverse side of this informational sheet if:
  - You would like an increase to the amount offered to you on your award letter.
  - You did not have a loan on your award letter, but you would like to borrow a loan during 2021-22.

**WHAT IS THE DIFFERENCE BETWEEN A SUBSIDIZED AND UNSUBSIDIZED LOAN?**

**Direct Subsidized Loans** are 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 (half-time). You are not charged interest while you are in school at least half time.

**Direct Unsubsidized Loans** are offered to students who do not qualify on the basis of calculated financial need or for those who need supplemental loan assistance. Unlike the Direct Subsidized Loan, interest begins to accrue when the loan is disbursed regardless of the student’s enrollment status.

As of July 1, 2021, the **interest rate** is 3.73% for both the subsidized and unsubsidized loan. Interest rates usually change on July 1 of each year. There is an **origination fee of 1.057%** that is charged by the federal lender. The origination fee is taken out of the loan amount when it is disbursed.

**HOW MUCH CAN I BORROW EACH YEAR?**

Loan amounts are based on your enrollment level and financial aid budget. Your maximum eligibility is based on your grade level, the number of credits you are taking, and the amount of other financial aid you are receiving, as well as the total amount of loans you have borrowed in the past. Keep in mind that this is a loan and you should never borrow more than you need.

- **Dependent Student**
  - Freshman/First Year (0-29 Credits earned) up to $5,500 (maximum $3,500 Sub based on eligibility)
  - Sophomore (30+ credits earned) up to $6,500 (maximum $4,500 Sub based on eligibility)

- **Independent Student**
  - Freshman/First Year (0-29 Credits earned) up to $9,500 (maximum $3,500 Sub based on eligibility)
  - Sophomore (30+ credits earned) up to $10,500 (maximum $4,500 Sub based on eligibility)

There is a limit to the total amount of loans that a student may borrow to complete their degree. Please see www.studentaid.gov for complete information.

**WHERE CAN I FIND MORE INFORMATION ON LOANS?**

The Financial Aid Office at Northern Essex Community College (NECC) can be reached at financialaid@necc.mass.edu. NECC has information about student loans at https://www.necc.mass.edu/afford/types-of-aid/direct-loans/. The U.S. Department of Education maintains information about loans and other financial aid at https://www.studentaid.gov