2023 - 2024 FEDERAL DIRECT LOAN REQUEST FORM

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.
   ▸ NECC will receive an electronic notification in 3 – 5 business days.

☐ 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 update your Master Promissory Note to include NECC at www.studentaid.gov.
   ▸ NECC will receive an electronic notification in 3 – 5 business days.

2. How much are you requesting to borrow? $______________________________
   Keep in mind that there is a 1.057% origination fee deducted from your loan so you will have to add on the fee to get the exact amount for payment.

☐ This is my first loan request for the 2023 - 2024 award year.

☐ This is a request for additional loan funds for this year. Please indicate total to be borrowed.
   My 2023 - 2024 loan already borrowed + this request = $ _______________________

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

☐ Fall 2023 & Spring 2024  ☐ Spring 2024 Only  ☐ Summer 2024 Only
☐ Fall Only – Graduating in December 2023  ☐ Fall Only – Other. Explain
☐ 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

PLEASE READ CAREFULLY: 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 2023-24 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 at NECC, 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 2023-24.

**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, 2023, the interest rate is **5.50%** for both the subsidized and unsubsidized loan. Interest rates usually change on July 1 of each year for new loans but the interest rate is fixed for the life of the loan. 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 grade level (Freshman/Sophomore), Cost of Attendance Budget, all financial aid and/or other aid you are receiving as well as the total amount of the loans you have borrowed in the past. Keep in mind that this is a loan, it must be repaid, 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/admissions/tuition/financial-aid/direct-loans/