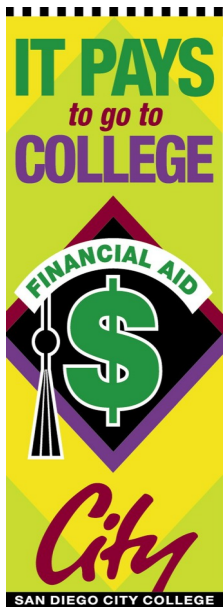


William D. Ford Federal Direct Loan Program 2011 -2012 Information Guide



Included in this Packet

- Wraparound Information Cover Sheet for San Diego City College (SDCC)
- Direct Loan Request form with Borrower's Rights and Responsibilities (must be submitted to the Financial Aid Office)
- Financial Aid First Brochure
- Entrance Counseling Guide for Borrowers
- Exit Counseling Guide for Borrowers
- Interest Rate Summary Sheet for 2011-2012



Entrance Interview on the Internet

All new borrowers at San Diego City College must complete an online entrance interview at: www.StudentLoans.gov

You will need a PIN number from the U.S. Department of Education to use the online process.

After successfully completing the online entrance interview, select San Diego City College as your school of choice. Be sure to print out your confirmation. You can download the Direct Loan packet and print the Loan Request form at <http://www.sdcc.edu/CollegeServices/StudentServices/FinancialAid/FederalDirectLoanSubsidized>

Bring your confirmation and your Loan Request to the Financial Aid Office.

Be prepared to provide four different references or contact persons that have a different address than you and have a different address from each other and who will know how to contact you. **Please use a regular street address for each reference and not a P.O. Box. You must provide four separate references. There are no exceptions.** You will need to provide their name, complete mailing address, phone number and relationship.

References to be provided include the following:

- Parent or other adult relative
- Grandparent or other adult relative
- Friends or Neighbors

After submitting your loan request, it may take up to 2 - 4 weeks for processing.

Exit Interviews

- If you graduate, drop or withdraw below 6 units and/or you do not re-enroll for the next semester, you will be required to complete an exit interview
- You will be notified by mail to complete the exit interview
- You can complete the exit counseling on the Internet at <https://.StudentLoans.gov/myDirectLoan/index.action>
- You will need a PIN number from the U.S. Department of Education to use the online process
- Failure to complete the exit interview will result in a "Hold" being placed on your SDCC record

Important Deadlines

- December 2, 2011 - Last day to submit your loan request for the Fall 2011 semester only
- December 17, 2011 - Last day of the Fall 2011 semester
- May 4, 2012 - Last day to submit your loan request for the 2011-2012 academic year (Fall 2011 & Spring 2012 or Spring 2012 semester only)
- May 19, 2012 - Last day of Spring 2012 semester

General Loan Eligibility Requirements

- You must be officially enrolled in and keep 6 or more units each semester with at least 1 class at SDCC
- Only classes taken at City, Mesa, Miramar or ECC will be counted towards your enrollment status
- You must maintain continuous half-time enrollment for the entire loan period to receive your loan check(s)
- If you drop or withdraw below 6 units at any time, you will not be eligible to receive your loan check(s)
- If you enroll in classes that start later in the semester, your loan disbursement will be **delayed** until after the start of the late class that brings your enrollment up to 6 or more current units
- Loan requests must be submitted by the specified deadlines or your request will not be processed
- You cannot receive a loan once the loan period has ended
- If your loan period is for one semester only, you can only borrow 1/2 of the annual loan amount
- You must be making Satisfactory Academic Progress (SAP) as published in the San Diego Community College District Financial Aid Bulletin or on the following website
<http://www.sdccity.edu/CollegeServices/StudentSupportResources/FinancialAid/SatisfactoryAcademicProgress>
- You must not be in Default on any Title IV Federal loan or owe an overpayment or repayment on any Federal Grant from any institution
- You must have need based on your FAFSA application

Financial Aid Application (FAFSA) Required

- You must apply for financial aid with the 2011-2012 FAFSA before applying for a Direct Loan
- FAFSA processing takes 4 to 6 weeks to receive a response (Be sure to apply early)
- Be sure to list San Diego City College - code # 001273
- You may complete the FAFSA on the Web or obtain a paper copy at
<http://www.fafsa.gov>
- Review your Student Aid Report (SAR) or email response for accuracy - make corrections online if necessary

File Complete Status Requirements

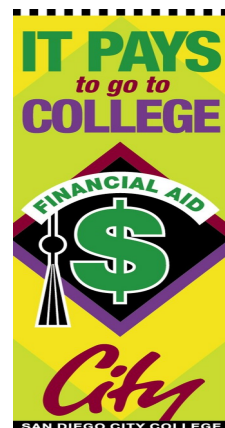
- Your financial aid file must be complete before our office can process your Direct Loan (All documents and forms must be received by the Financial Aid Office)
- You cannot submit your loan request if your financial aid file is incomplete
- You cannot submit your loan request if you are Disqualified from financial aid for any reason
- You cannot submit your loan request if you are not enrolled in at least 6 units with at least 1 class at SDCC

FAFSA Not on File

- If you have not completed the FAFSA, see the section above
- If you did not list San Diego City College, you can add our college code (001273) by:
 1. Calling the Federal Processor at 1-800-433-3243 and provide your DRN # from your SAR
 2. Correcting and mailing your SAR to the Federal Processor
 3. Completing and mailing a duplicate SAR request form and making corrections on that form
 4. Providing our office with a copy of your SAR for us to make an electronic change
 5. Visiting www.fafsa.gov and adding San Diego City College's code

Incorrect or Invalid Addresses

- You must change your address at Admissions (A-112) and with the Direct Loan Servicer whenever your address changes
- Address changes not made in a timely manner will result in your check(s) being mailed to the wrong address
- Stop payments on lost or misdirected checks cannot be processed until two weeks after the original check was first mailed
- Once a stop payment is submitted, it may take 4 weeks or more to receive a replacement check
- An "Invalid Address Hold" is placed on your record when either the Admissions Office or the District Student Services Office receives returned mail and this Hold will prevent your loan check from being disbursed



Submittal of Loan Documents

The following documents are required to apply for a Direct Loan:

- Direct Loan Request form
- A Counselor Approved Educational Plan for your current major if you want to be considered for a 2nd year loan amount
Important Note: You only need to see a counselor if you do not have a computerized Educational Plan or if your hand written Educational Plan is outdated or if your major has changed

Electronic Master Promissory Note (eMPN)

- You must complete and sign your MPN electronically on the Internet. The electronic MPN (eMPN) may be signed at www.StudentLoans.gov
- You can sign your eMPN at any time even before you submit your loan request
- You will be required to use your U.S. Department of Education issued PIN to complete an electronic MPN. To apply for a PIN, you must go to <http://www.pin.ed.gov/PINWebApp/pinindex.jsp>
- Once you sign the eMPN, the U.S. Department of Education will update their database and send an acknowledgement to our school. If you request a paper MPN, the U.S. Department of Education will print and send you a copy of your MPN
- Provided all other conditions, time frames and loan eligibility requirements have been met, your Direct Loan is ready to be disbursed

Loan Processing and Master Promissory Note Completion

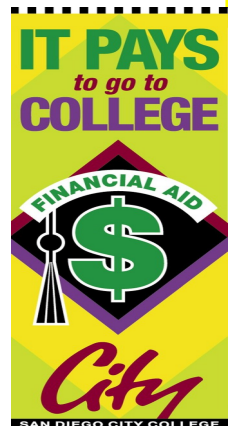
- Your loan request will be checked for completeness and to see if you meet the general eligibility requirements
- If eligible for a Direct Loan, your eligible loan amount will be added to our computer system
- You will be sent an Award letter (for informational purposes only) showing the amount of your loan
- All students must sign a Master Promissory Note (MPN). The eMPN is a legal document in which you agree to repay your Direct Loan. The eMPN now has a multi-year feature that allows you to sign one eMPN that is valid at San Diego City College for one or more academic years (up to 10 years)
- If you want a Direct Loan in subsequent years, you will still need to submit a Direct Loan Request form but you will not have to sign a new eMPN
- You will only need to respond to our office if you want to cancel or reduce your Direct Loan award amount. This is known as passive confirmation
- You may decline the use of the multi-year feature of the eMPN and/or cancel the authorization for future loans to be made after the first loan is made. You will need to contact the Direct Loan Servicer or San Diego City College in writing if you wish to make this change
- The Loan Origination Center will send you a Disclosure Statement indicating the amount of your loan and the estimated disbursement dates. The actual disbursements dates may vary!
- Your loan will be set up for disbursement after completion of your eMPN provided you still meet all of the other loan eligibility requirements

Disbursement Information and Processing

- The disbursement dates shown on your Disclosure Statement and Award Letter are estimates only. Do not rely on these dates for your actual disbursements
- Your exact disbursement date will depend on when you complete your eMPN and your enrollment status
- The disbursement process normally runs every weekend except when there is a main Pell Grant disbursement which could delay the receipt of your loan check
- First Year, First Time Borrowers must wait 30 days before receiving their first loan check
- First Year means you have not completed 24 units in your current program or major at SDCC
- First Time Borrower means you have not received a Federal Family Education Loan (FFEL) or Direct Loan from any other college
- Loans are disbursed in two payments based on the loan period
- Second disbursements for full year loans will be disbursed the first week of the Spring 2012 semester for students who remain eligible
- You must maintain continuous half-time enrollment to maintain eligibility for your Spring 2012 loan check. If you drop or withdraw below 6 units for Fall 2011, your Spring 2012 loan check may be cancelled and you will have to re-apply for the Spring term

Loan Fees and Rebate Amount

- Loan Fees of 1.0% are deducted from each check disbursement
- A Rebate of 0.5% of each gross disbursement is added back automatically to your check disbursement
- You will keep the Rebate Amount if you make your first twelve monthly payments on time
- Otherwise, the Rebate Amount will be added back to your principal balance to be repaid



Important Phone Numbers

Financial Aid Office	(619) 388-3501
Direct Loan Servicer	(800) 848-0979
Direct Loan Consolidation Program	(800) 557-7392
EDFUND (California)	(916) 526-7900
Federal Student Aid Information Center	(800) 433-3243



Internet Sites

FAFSA on the Web -	www.fafsa.gov
Direct Loan information -	http://www.ed.gov/offices/OSFAP/DirectLoan/index.html
Direct Loan Servicing Center -	www.dlservicer.ed.gov
Direct Loan Consolidation -	http://loanconsolidation.ed.gov/
General Financial Aid Information -	www.finaid.org
Scholarship Information -	www.fastweb.com
San Diego City College Financial Aid -	http://www.sdcity.edu/CollegeServices/StudentSupportResources/FinancialAid.aspx
FSA Personal Identification Number (PIN) -	http://www.pin.ed.gov/PINWebApp/pinindex.jsp

Cashing Direct Loan Checks

- We *strongly recommend* that you open a bank account where you can deposit or cash your check
- Loan checks may be cashed at local Wells Fargo branches which may verify checks with our office before cashing them

*****You have your loan disbursements directly deposited into your bank account.
Apply online using Reg-e.*****

Deferments

- A deferment temporarily postpones the repayment of your loans. You may qualify for a deferment if:
- You are enrolled at least half-time
- You are seeking but unable to find full-time employment
- You are experiencing economic hardship
- You are in an approved graduate fellowship program
- You are in an approved rehabilitation training program for individuals with disabilities

Deferment forms can be downloaded from our website at:

Be sure to download a copy of the Entrance Counseling Guide for Borrowers at:

www.sdcity.edu/studentresources.financialaid/subsidized.asp



Default Consequences

- You will not be eligible for any further federal student aid
- You will lose your deferment options
- Your loan may be turned over to a collection agency
- Your loan will be reported to a credit agency which can damage your credit rating
- Your wages can be garnished and your tax refunds can be taken
- You can be subject to legal action by the federal government
- Your total debt may be increased by collection fees, attorney fees, late fees, court costs and additional interest

