

**Student Loan FAQs (Frequently Asked Questions)****Q. How do I request a student loan?**

- A. After completing the FAFSA and a financial aid file, you must complete all required steps to borrow a student loan (*use your Federal Financial Aid PIN requested at [www.pin.ed.gov](http://www.pin.ed.gov)*)
- 1) Complete the Master Promissory Note (eMPN) at <https://dlenote.ed.gov>
  - 2) Complete Entrance Counseling (first-time borrowers) at: <http://www.dlservicer.ed.gov>; choose "Entrance & Exit Counseling" at top of page; at Stafford Loan choose Tutorial and Quiz (New Session); then print the Rights & Responsibilities pages to submit with your Loan Request.
  - 3) Submit the Loan Request form and the Entrance Counseling pages to the Financial Aid Office.

**Q. How much can I borrow?**

- A. Maximum annual loan limits per academic year are:

	Dependent student			Independent student		
	Subsidized	+ Unsubsidized		Subsidized	+ Unsubsidized	
First-year	\$3,500	+ 2,000	= \$5,500	\$3,500	+ 6,000	= \$9,500
Second year (earned 45 credits)	\$4,500	+ 2,000	= \$6,500	\$4,500	+ 6,000	= \$10,500

**NOTE:** The maximum amount you may borrow is determined by the number of quarters for your loan and might differ from the amount on the award letter. You must be enrolled for at least six credits to be eligible for a loan.

**Q. Are there loan fees?**

- A. Loan fees are .5% of the amount you borrow. The fees are subtracted each quarter you attend. If you borrow \$1,000, the fees are \$5, and the loan funds you receive will be \$995.

**Q. What do *subsidized* and *unsubsidized* mean?**

- A. *Subsidized* loans do not accrue interest while you are in school. Interest is paid by taxpayer funds while you are in school at least half-time (six credits) and during the six month grace period. *Unsubsidized* loans do accrue interest at a rate of 6.8% while you are enrolled in school which you must repay.

**Q. How much do I need to borrow?**

- A. You can determine the loan amount you need by reviewing the expenses you will have for the year, including all school-related expenses. Determine which expenses will be paid for by your income from work, and from any grants you will receive. **Borrow what you need for the whole academic year in your initial request.** *If students have additional eligibility, subsequent requests must be submitted in writing. It may take up to two months before funds can be made available.*

**Q. What are the current interest rates?**

- A. *Subsidized* loans currently have an interest rate of 5.6% (effective July 1, 2009)  
*Unsubsidized* loans currently have an interest rate of 6.8% (effective July 1, 2008)

**Q. What is an average amount students borrow, and what are the estimated monthly payments?**

- A. Shoreline students borrowing the past two years have an average total loan indebtedness of \$4,919. The average estimated monthly repayment on an *Unsubsidized Loan* in this amount for 10 years with the maximum 6.8% interest rate (effective July 1, 2008) is \$57. The average estimated monthly repayment on a *Subsidized Loan* in this amount for 10 years with the maximum 6.0% interest rate (effective July 1, 2008) is \$53.

To estimate your monthly repayment with your total indebtedness, you can use the Loan Calculator on [www.finaid.org/calculators](http://www.finaid.org/calculators).

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(Student Loan FAQs, continued)

**Q. When will I receive my loan funds?**

A. It takes 2 to 6 weeks to process your initial loan request, depending upon the volume of applications received. Incomplete and/or missing documents will delay the processing of your loan.

After your loan is processed, you will receive a Disclosure Statement from the U.S. Department of Education. This will state the amount of your loan, the estimated disbursement dates, the interest rate, number of disbursements for the academic year, and other information.

A loan check might be mailed to you approximately 2 weeks after you receive your disclosure statement.

**Q. Do I have to accept the loan funds? Can I cancel the loan? How do I cancel the loan?**

A. You have the right to cancel all or a portion of the loan. You need to submit a written request to the financial aid office to cancel all or a portion of loan *before funds have been disbursed*.

**Q. What if I've never had a student loan before?**

A. First-time loan borrowers are required to complete Entrance Counseling at <http://www.dlsvicer.ed.gov> (see steps on other side of this page). During the Entrance Counseling session you will learn important information about your rights and responsibilities as a borrower. If you have questions about Federal Direct Loans, a financial aid staff member will be available to assist you.

When you finish the Entrance Counseling, print the rights and responsibilities page and submit it with your Direct Loan Request form. Loans will not be processed for first-time borrowers until the Entrance Counseling is completed.

**Q. When do I have to start repaying my loan?**

A. Loan repayment is deferred while you are enrolled at least half-time (minimum of six credits) in an eligible program of study. Before you complete your program, Exit Counseling is required, through [www.dlsvicer.ed.gov](http://www.dlsvicer.ed.gov). Once you are not enrolled in at least six credits, your repayment period will begin. There is an initial six-month grace period during which you are not required to make payments. When the grace period ends, you must begin making payments.

**Q. How much will my monthly payments be, and for how long?**

A. To estimate your monthly payments with your total student loan indebtedness, you can use the Loan Payment Calculator at [www.finaid.org/calculators](http://www.finaid.org/calculators). If you have questions about your payments, call the Direct Loan Servicing Center at (800) 848-0979.

**Q. What else should I know?**

A. • The maximum amount you may borrow is determined by the number of quarters for your loan; this amount might differ from the amount printed on your Award Notification.

• When you receive a federal Direct Loan, you are agreeing to complete the Exit Counseling when you leave Shoreline Community College. You can complete the online Exit counseling at [www.dlsvicer.ed.gov](http://www.dlsvicer.ed.gov).

**Q. How can I learn more about the Federal Direct Loan?**

A. There are many sources of more information, including the Internet links below:

- [www.dlsonline.com](http://www.dlsonline.com), choose "Question Center" from the top menu, and "FAQ";
- [www.ed.gov/offices/OSFAP/DirectLoan/student.html](http://www.ed.gov/offices/OSFAP/DirectLoan/student.html), the FAQs on the Federal Loan website;
- [www.nslsds.ed.gov](http://www.nslsds.ed.gov), choose "Financial Aid Review" to review your financial aid history.