

Your William D. Ford Federal Direct Student Loan

Subsidized and Unsubsidized

Student Financial Aid, 2308 Rendleman Hall, Edwardsville, Illinois 62026-1060

I. What is a Subsidized Loan?

The Direct Subsidized Loan, a guaranteed student loan from the Department of Education, is a loan in which the student makes no payment until he/she has been out of school 6 months (grace period). This is a need-based loan based on FAFSA information.

II. What is an Unsubsidized Loan?

The Direct Unsubsidized Loan, a guaranteed student loan from the Department of Education, is a loan which begins accruing interest upon disbursement. The student will receive a bill from the Department of Education quarterly only for the interest while in school, but will make no payments toward the principal until he/she has been out of school 6 months (grace period). This is not a need-based loan, but a FAFSA must be on file to be eligible.

III. How do I get my loan from the Award Letter into my Bursar Account?

Mark the boxes on the Award Letter indicating what you wish to accept and/or decline. Sign the award letter with signature, social security number, and date, and turn the Award Letter into the Office of Student Financial Aid by hand delivery, U.S. mail, or fax. **If you are a first-time borrower**, you must also complete the Electronic Master Promissory note (EMPN) **and** the Entrance Loan Counseling before the money will be sent by the Department of Education.

IV. What are the EMPN and Entrance Loan Counseling and how do I complete them?

If you are receiving your first Direct Loan or have not received a Direct Loan since 1999-2000, you must complete an Electronic Master Promissory note by going to the EMPN webpage, <https://dlenote.ed.gov/empn/index.jsp>; you will use your FAFSA PIN to sign electronically.

If you are receiving your first student loan from the Department of Education, you must complete Entrance Loan counseling by going to <http://www.dl.ed.gov/entrancecounseling/main-entc.asp>. When asked to logon, do so WITHOUT a PIN.

V. What if I do not have access to a computer; can I do a paper version of the Master Promissory Note or Entrance Loan Counseling?

Yes, you can do a paper version of both. However, if you do so, it will take longer to process your loan through the Department of Education and delay payment into your Bursar account.

VI. What if I don't want the full loan amount on the Award Letter?

You do not have to accept the full amount offered on the Award Letter. If you wish to accept a loan at a lesser amount, do not decline the loan. In the "Changes Requested" box, write the amount you want to borrow. Be specific as to dollar amount and term(s), i.e., Reduce my subsidized loan to \$2000 for fall term and \$2000 for spring term.

VII. If I was offered Federal Work Study and I do not want it, what happens?

If you do not wish to accept the federal work study award, you may decline the award and request it be converted into a subsidized direct loan, not to exceed the amount listed below.

VIII. What if I change my mind after I submit my Award Letter?

If you change your mind, you need to come to the Office of Student Financial Aid and complete a Loan Revision form. An advisor will assist you.

IX. How much can I borrow?

Maximum annual loan amounts that can be borrowed across fall, spring, and summer:

	<u>Dependent</u>	<u>Independent</u>
Freshman	\$2,625	\$ 6,625
Sophomore	\$3,500	\$ 7,500
Junior/Senior	\$5,500	\$10,500
2 nd Baccalaureate	\$5,500	\$10,500
Teacher certification	\$5,500	\$10,500
Graduate	n/a	\$18,500

X. How do I repay my loan?

The U.S. Department of Education is your lender for the William D. Ford Federal Direct Loan Program, and they have a loan servicer to manage and collect your loans. While you are in your grace period, you will be contacted by the Direct Loan Servicer, who will oversee your loan account until your loans are paid in full. You will establish your repayment plan with them.

XI. Obtaining Information About Your Loan Account.

www.dlservicer.ed.gov (account information)
1-800-848-0979 (Direct Loan Servicer customer service line)
www.nslds.ed.gov (National Student Loan Data System)