2011-2012 Direct Stafford and PLUS Loan Process

PDFs require Adobe Acrobat Reader

- Stafford & PLUS Loan Brochure - PDF
- DCC Loan Request Form - PDF

Beginning with the 2010-2011 Award Year (which is fall 2010, spring 2011, and summer 2011), Danville Community College will be processing all Federal Loans using the Federal Direct Loan Program. This will include the Federal Stafford Subsidized and Unsubsidized Student Loans as well as the Federal Parent PLUS Loan.

Got a Pin? In order to complete the application process for a Federal Stafford and/or PLUS Loan you will need your federally assigned PIN Number.

To obtain a PIN please visit www.pin.ed.gov. This 4 digit PIN number is the same number used when electronically signing the FAFSA each year.

Forgot your PIN Number? No problem, you may request a duplicate PIN at www.pin.ed.gov

Having issues with your PIN Number? - Call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

Federal Student Stafford Loan 2011-12

Federal Stafford Subsidized and Unsubsidized Stafford Direct Loans are used to assist in paying for college expenses. These loans are in the student’s name and the student is responsible for repaying them after they leave school or drop below half-time enrollment. The 2010-2011 interest rate for the Federal Subsidized Stafford is fixed 4.5%. The Federal Unsubsidized Stafford Loan will be fixed at 6.8%. Your 2011-2012 FAFSA results will determine your eligibility for these two programs (sub & unsub). Please complete the following steps in order to receive a Federal Stafford loan.

Complete the steps below to apply for the Federal Stafford Loan:

- Complete a 2011-2012 FAFSA, if you have not already done so
- Complete DCC’s Loan Request Form and submit to the Financial Aid Office
- Complete your on-line Entrance Counseling – Once online Sign In using your PIN and complete the Entrance Counseling Session
- Complete an electronic Student Promissory Note (eMPN) – Once online Sign In using your Pin and sign your Master Promissory Note.

Very Important: All four of these steps must be successfully completed before a Stafford Loan award will be offered to you.

Federal PLUS Loan 2011-12 for Parents

Federal PLUS Loans are loans that a parent can apply for in order to assist in paying for college expenses for their student. These loans are in the parent’s name and the parent is responsible for repaying them. The interest rate on the Federal PLUS loan is fixed at 7.9%. Please complete the following steps in order to receive your loan.

Complete the steps below to apply:
Your dependent student must complete a 2011/2012 FAFSA, if they have not already done so
You must complete DCC’s Loan Request Form and submit to the Financial Aid Office.
Complete an electronic PLUS Promissory Note (eMPN)

Very Important: All three of these steps must be successfully completed and your credit approved before
a PLUS Loan will be offered to you.

Frequently Asked Questions

What is the Federal Direct Loan Program?

The U.S. Department of Education makes Stafford (both subsidized and unsubsidized) and PLUS loans
directly available to students through selected schools across the country. No banks or guarantee
agencies are involved. The U.S. Department of Education is the lender

What types of loans are available through the Direct Loan Program?

The Federal Direct Loan Program offers Federal Subsidized Loans, Federal Unsubsidized Loans, and
Federal PLUS Loan (for Parents Loan for Undergraduate Students).

How much can I borrow?

The US Department of Education sets the maximum awards a student can borrow in an academic year
(Fall + Spring) based on their year in college and dependency status. At DCC, you are a level 01
(freshman) student until you have completed 30 credits. The chart below lists the annual maximums. If
you only plan to borrow for one semester you may not be eligible to borrow these annual amounts.

<table>
<thead>
<tr>
<th>Student Type</th>
<th>Subsidized</th>
<th>Maximum (Sub + Unsub)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent with less than 30 credits</td>
<td>$3,500.00</td>
<td>$5,500.00</td>
</tr>
<tr>
<td>completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent with 30 or more credit hours</td>
<td>$4,500.00</td>
<td>$6,500.00</td>
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<tr>
<td>completed</td>
<td></td>
<td></td>
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<tr>
<td>Independent with less than 30 credits</td>
<td>$3,500.00</td>
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<tr>
<td>Independent with 30 or more credit hours</td>
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<td>$10,500.00</td>
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</tbody>
</table>

The absolute maximum aggregate limits for DCC students are

- Dependents: $31,000 (maximum of $23,000 subsidized)
- Independent: $57,500 (maximum of $23,000 subsidized)

Students who have exceeded these limits may not borrow additional money while at Danville Community
College.

How will I get my Federal Stafford loan and PLUS loan?

Your Federal Stafford Student Loan and PLUS Loan funds will be sent to the school and credited to your
account. Any credit balances will be issued approximately during the 6th week of each term.

What is a Master Promissory Note (MPN)?
The MPN is a promissory note that must be completed to receive a federal loan. It is your promise to repay your Federal Student Loan. There are two types of MPNs in the Federal Direct Loan Program: one for the Stafford student loans and one for PLUS loans.

Where else can I get information on the new Direct Lending process for Federal student Stafford Loans and Federal parent PLUS loans?

- U.S. Department of Education Direct Loan website
- Federal Student Loan Servicing
- Direct Loan Consolidation website

Are there any fees associated with using the Federal Direct Loan Program?

Yes. All Federal Direct Loans are assessed a loan fee by the federal government. This fee helps reduce the cost of making these low-interest loans. The federal government will deduct the fee from the loan before the borrower receives any loan money; therefore, the loan funds received by the borrower may be less than the amount they will repay. The loan fee for the 2010-2011 award year is 1% with an automatic instant .5% rebate. So the net loan fee will be .05%

Can I consolidate Loans received through the Federal Direct Loan Program with loans received through the FFEL Program so that I only have one payment once I leave school?

Yes. It is a relatively simple process. You can consolidate through either the FFEL or the Federal Direct Loan Program. You should check with either program when you begin to review your options for consolidation. You will want to investigate which program offers the repayment benefits that work best for you. More info on Loan Consolidation:

Contact Information:

Financial Aid Office
1008 South Main Street
Danville, VA 24541
DCCFinAid@dcc.vccs.edu
Telephone: 434 797-8567 or 434 797-8439
Other areas in VA: 800-560-4291 Ext 8567