



Federal Stafford Loan Information 2009-2010

Your loan will NOT be processed until you have completed the following steps:

Federal Stafford Loans are long-term loans, from private lenders, created to help you pay for your education. **It is a loan that must be repaid.** Repayment begins six months after you cease to be enrolled at least half-time (less than 6 credits), graduate, completely withdraw, transfer, or stop attending classes. Minimum monthly payment is \$50 (depending on your total loan indebtedness) and you have up to 10 years to repay the loan.

Federal Stafford Loans are subject to origination and default fees, not to exceed 1.5% of your loan, which will be automatically deducted from each loan disbursements. Every Federal Stafford Loan is required to have at least two separate disbursements, one at the beginning of the loan period and the second at least halfway through the loan period.

There are two types of Federal Stafford Loans:

SUBSIDIZED: 5.6% interest loan awarded to students who demonstrate financial need as determined by the Financial Aid Section. Interest is paid by the federal government while you are enrolled at least half-time and during a six-month grace period after graduation or dropping to less than half-time or deferment periods.

UNSUBSIDIZED: 6.8% interest loan typically awarded to students who do not demonstrate financial need or may be used to supplement a Subsidized Stafford Loan. You are responsible for interest that accrues on the loan, which starts after the loan is disbursed. Although principal payments can be postponed, interest will be capitalized, meaning the lender will add the accrued interest to the principal balance you owe.

The Master Promissory Note

If you accept the Federal Stafford Loan, you must complete a Master Promissory Note (MPN) confirming to the lender that you will repay the funds that you borrow. The MPN eliminates the need to complete a promissory note each year to receive additional loans (in most cases). You will confirm the amount of loan funds requested for each academic year through the Federal Stafford Loan Request Form.

How Much Can I Borrow? Annual loan limits are as follows:

	Base Subsidized & Unsubsidized	Additional Unsubsidized	Maximum Combined
Dependent Freshmen	\$ 3,500	\$ 2,000	\$ 5,500
Dependent Sophomore	\$ 4,500	\$ 2,000	\$ 6,500
Independent Freshmen	\$ 3,500	\$ 6,000	\$ 9,500
Independent Sophomore	\$ 4,500	\$ 6,000	\$10,500

Important Special Requirements:

- First-year freshmen with no prior Federal Stafford Loans are required to complete 30 days of their first semester of enrollment before receiving their first loan disbursement.
- Loans awarded for one semester must be paid in two disbursements – half at the beginning of the semester and half at the mid-point of the semester. You must maintain at least half-time enrollment to receive the second disbursement.
- **Continuing Students:** To ensure continuity in repayment we recommend that you borrow your Federal Stafford loan through the same lender each year. Each academic year you will need to complete the Entrance Interview and Federal Stafford Loan Request Form but not the MPN.

Steps to receive a Federal Stafford Loan:

1. Complete the Free Application for Federal Student Aid (FAFSA) and submit all required forms.
2. Complete the Stafford Loan Entrance Counseling online at: <https://staffordloanguide.usafunds.org/login.aspx?schoold=00161300> If unable to complete it online you must call (808)734-9555 to meet with a Financial Aid Specialist.
3. Complete the Stafford Loan Request Form indicating the amount you wish to borrow and select a lender. Use the form on the back of this page.
4. Complete the Master Promissory Note (MPN) with your lender. You may do this online at your lenders website or a paper MPN can be obtained from the Financial Aid Office. Otherwise, upon our certification of your loan, your lender will mail one to you for completion.

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 Website: www.kcc.hawaii.edu

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2009-2010 Federal Stafford Loan Request Form

Name (Last, First, M.I.): _____ UH ID or SSN: _____

I am requesting a: Federal **Subsidized** Stafford Federal **Unsubsidized** Stafford

Enrollment Period: Academic Year (Fall 2009 and Spring 2010) Fall '09 Spring '10 Summer '10

Expected Graduation date: _____ / _____ (Month/Year)

Requested Loan Amount (see annual loan limits chart): \$ _____

Please check (✓) which lender you would like to borrow this loan from. (If you have prior loans, we recommend that you stay with your current lender. If the lender you wish to use is not on this list you must provide the lender name, lender code, address and telephone number.) NOTE: This is only a sample of lenders who processed Stafford Student Loans to Kapi'olani CC students.

How do I select a lender? The terms of the loan are the same regardless of the lender you choose. Yet each lender may offer students different borrower benefits including fee reductions, repayment incentives, customer services, etc. Please refer to the lender website for each company's benefits.

✓	Lender Name & Code	Lender Phone Number	Lender Website
	Use my current lender from my most recent Stafford Loan at KCC.	<i>NOTE: If your most recent lender is one of the following, you <u>must</u> select another lender:</i>	Citibank Next Student CLC Student Capitol Corp EFSI Student Loan Xpress
	American Savings Bank 832053	1-888-272-5543	http://www.asbhawaii.com/personal/1_4_3_1.php
	ASAP Union Bank & Trust 830868	1-888-486-4722	www.asapubt.com
	Wachovia Education Finance 830005	1-800-338-2243	www.educaid.com
	The lender I wish to use is not on this list. Please use the following Lender:	Lender Name: Lender Code:	Lender Phone: Lender Address:

- I've been informed that I must complete Federal Stafford Entrance Counseling online or contact KISC to meet with a Financial Aid Specialist.
- I've been informed that I must complete a Federal Stafford Master Promissory Note (MPN) either online or my lender will mail one to me.
- I fully understand that this loan must be paid in its entirety, and I accept the responsibility to pay these loans back. I have reviewed all of the information provided and will submit this to the KISC.

Student Signature: _____

Date: _____

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