

Student Loan Material



FFELP Stafford Information Sheet

Application Deadline: All loan applications must be submitted to the Office of Financial Assistance within 45 days of the start of the semester.

Borrower Section			Please Print Neatly or Type.
Last Name	First Name	MI	Social Security Number
Permanent Street Address*		Telephone Number ()	Loan Period (Month/Year) From: To:
City	State	Zip Code	Driver's License Number (List state abbreviation first)

*Your address with Ivy Tech State College will be updated, if necessary, to reflect this information. If you do not want your address to be changed please initial in the box below.

Please do not change my address information

Preferred Lender:

If you prefer a specific lender, enter name and lender number. Otherwise the holder of your loan will be the Indiana Secondary Market.

Loan Assistance Requested

1. I request a total amount of subsidized and unsubsidized loan not to exceed:
My school will notify me of the type(s) and amount(s) of loan(s) that I am eligible to receive. NOTE: All funds will be disbursed to the school via Electronic Funds Transfer (EFT).

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2. I live A: With my parents, and have dependents. B: With my parents and do not have dependents. C: Not with parent(s)

3. Have you attended another college? _____ If yes, name of college(s) attended _____

4. **Date you expect to graduate from your current program of study:** _____
(month/year)

FFELP Eligibility Requirements

- Free Application for Federal Student Aid (FAFSA) must be completed including any additional information required by the government and/or the Office of Financial Assistance.
- Registered in a degree program (AS, AAS, or TC).
- High School Diploma/GED must be on file in the Admissions Office.
- Enrolled in and attending at least 6 credit hours.
- Entrance Information Session must be completed by all first-time borrowers at Ivy Tech State College.
- Additional documentation and counseling may be required for students who have been in default on a previous loan or are currently delinquent on a loan.
- Exit Interview form must be completed before separating from Ivy Tech State College.
- Remember: To keep your loans in deferment for being in-school, you must be registered at least half-time at all times.
Note: If you do not plan to attend summer semester, you must preregister for the following fall semester to keep your loan in deferment.

This is a Loan that Must Be Repaid.

I certify that I have read this information sheet carefully and understand that all the requirements must be met for FFELP eligibility. Failure to meet these requirements may result in cancellation of my loan application and/or disbursements. I also understand that I must notify the Office of Financial Assistance in writing before the loan funds are disbursed to my account, if I wish to cancel my loan.

Borrower's Signature _____ **Today's Date (Month/Day/Year)** _____

Please make sure all above information is complete. Any incomplete information may result in a delay in processing.

FFELP Loan Application Procedures

It is our goal to make the financial aid process work as smoothly as possible for you. In doing so, we are providing the following information for those students who have anticipated eligibility for a Federal Stafford Loan. Please contact the Ivy Tech State College Office of Financial Assistance at **(812) 298-2293** or **(800) 377-4882** if you have any questions regarding your loan application.

Application deadline is 45 days after the start of the semester. Note: applications submitted after deadline will be returned.

Federal Stafford Loan

Based on your preferred lender, an origination fee of 3% of the loan principal may be deducted. A guarantee fee up to 1% of the loan principal will be deducted from all loans. As a result, the actual loan disbursement may be less than the amount for which the loan is approved. However, repayment of the entire amount is required.

First-time borrowers at Ivy Tech State College must complete an Entrance Information Session before the first disbursement of this loan can be applied to the tuition account. You may complete the Entrance Information Session at www.goivytech.net.

What Are Stafford Loans?

- A **subsidized** loan is awarded on the basis of financial need. You won't be charged any interest before you begin repayment or during deferment periods. The federal government "subsidizes" the interest during these periods.

- An **unsubsidized** loan is not awarded on the basis of need. You'll be charged interest from the time the loan is disbursed until it's paid in full. If you allow the interest to accrue (accumulate) while you're in school or during other periods of nonpayment, it will be capitalized. This means the interest will be added to the principal amount of your loan and additional interest will be based on that higher amount.

NOTE: *If your interest is capitalized, it will increase the amount you have to repay. You can choose to pay the interest as it accumulates; if so, you'll repay less in the long run.*



Annual Loan Limits For Subsidized and Unsubsidized Stafford Loans

	Dependent Undergraduate Student	Independent Undergraduate Student
1st Year	\$2,625	\$6,625 - No more than \$2,625 of this amount may be in subsidized loans.
2nd Year (31 plus credits)	\$3,500	\$7,500 - No more than \$3,500 of this amount may be in subsidized loans.
Maximum Total Debt from Stafford Loans When You Graduate	\$23,000	\$46,000 - No more than \$23,000 of this amount may be in subsidized loans.

NOTE: *For periods of study shorter than an academic year, the amounts you can borrow will be less than those listed. Also, you might receive less if you receive other financial aid that's used to cover a portion of your cost of attendance.*

Your school can refuse to certify your loan application or can certify a loan for an amount less than you would otherwise be eligible for if the school documents the reason for its action and explains the reason to you in writing. The school's decision is final and cannot be appealed.

How Will I Receive My Stafford Loan?

Your school will disburse your loan in at least two installments; no installment will be greater than half the amount of your loan. Your loan money must first be used to pay for your tuition, fees, and any charges on your account. *(Continued next page)*



If loan funds remain, you'll receive them by check within 7 - 10 business days of the date of disbursement, unless you give the school written permission to hold the funds until later in the enrollment period.

Your first disbursement will be made 30 days after the first day of the enrollment period. The second disbursement will be midway through the loan period.

What's The Interest Rate On These Loans?

The interest rate is variable (might change each year) but does not exceed 8.25 percent. Interest rates are adjusted each year on July 1. You'll be notified of interest rate changes throughout the life of your loan.

Steps Of Processing

1. Submit the FFELP Stafford Information Sheet to the Office of Financial Assistance.
2. The financial aid counselor will determine your eligibility for the loan period.
3. First-time borrowers will receive a Federal Stafford Loan Master Promissory Note. The Master Promissory Note must be completed and returned to the lender/servicer.
4. When the loan has been guaranteed, the student will receive a Notice of Guarantee (NOG).
5. The loan will be disbursed on the scheduled disbursement dates for the loan period.

Repayment

Repayment begins 6 months after you separate from the college: graduate, withdraw, or drop to less than half-time status (below 6 credit hours). Borrowers must complete a mandatory Exit Interview before diplomas will be given.

FFEL Program

Under the FFEL Program, aspects of these repayment plans will vary by lender because individual lenders can tailor the plans. Check with your lenders for complete information.

The FFEL Program also offers Standard and Graduated Repayment plans.

- **The Income Sensitive Repayment Plan:** Your monthly payment is based on your yearly income and your loan amount. As your income rises or falls, so do your payments. Each payment must at least equal the interest accrued (accumulated) on the loan between scheduled payments.

- **The Extended Repayment Plan** is available only to FFEL borrowers who receive the first loan on or after October 7, 1998, and who have FFELs totaling more than \$30,000. Under this plan, your payments will be fixed or graduated (lower at first and then increased over time) over a period of up to 25 years.

Spreading your payments out over time might mean lower monthly payments but you'll repay more because you'll pay more interest.

Examples of Typical Payments for FFEL Stafford Loan Repayment Plans¹ (Monthly Payments and Total Repaid Under Different Repayment Plans)

Total Debt When Borrower Enters Repayment	Standard ²		Total Debt When Borrower Enters Repayment	Standard ²		Total Debt When Borrower Enters Repayment	Standard ²	
	Per Month	Total Repaid		Per Month	Total Repaid		Per Month	Total Repaid
\$2,500	\$50	\$3,074	\$7,500	\$92	\$11,039	\$15,000	\$184	\$22,077
\$5,000	\$61	\$7,359	\$10,000	\$123	\$14,718	\$31,000	\$380	\$45,627

1. Payments are calculated using the maximum interest rate of 8.25 percent for student borrowers. For July 1, 2003 to June 30, 2004, the interest rate for loans in repayment was 3.42 percent. Interest rates are adjusted each year on July 1.

2. Equal and fixed monthly payments (\$50 minimum).

DEFAULT Don't Do It!

Being in Default Means:

- You're ineligible for any additional federal or state student aid!
- Your Credit history will be ruined!
- Your federal and state income tax refunds may be withheld!
- Your wages may be garnished!
- Your entire unpaid balance, plus interest may become due and payable immediately!

Contact Your Lender/Holder

If you have trouble making payments, your lender/holder will work with you to keep you from defaulting on your student loan. You may qualify for forbearance or a deferment.



Ivy Tech State College is an accredited, equal opportunity, affirmative action state college.

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