



## **2023-2024 DIRECT LOAN APPLICATION PACKET**

The purpose of the Direct Loan Application Packet is to equip our students with the understanding and responsibilities of requesting Direct Student Loans for educational purposes. We believe that when students learn to establish and maintain a budget, they will be more successful managing their financial debt. Included in this packet are requirements and resources that will guide you in learning to borrow smart.

### **STEPS TO COMPLETE FOR A DIRECT STUDENT LOAN**

- ▶ Complete the 2023-2024 Free Application for Federal Student Aid (FAFSA) with Kishwaukee College federal school code 007684.
- ▶ Complete ALL other forms or information requested by the Financial Aid Office.
- ▶ Complete the 2023-2024 Kishwaukee College Direct Loan Request and submit to the Financial Aid Office.
  - ▶ Use the Loan Budget Worksheet to determine the amount you are requesting.
  - ▶ Use the Annual Direct Loan Limits information sheet to determine the amount you are requesting.
- ▶ NOTE: Official academic transcripts are strongly suggested in order to determine your maximum loan eligibility. This may also reduce the time it takes to complete your degree program and save you money.
- ▶ Enrolled in a minimum of six (6) credit hours each semester that apply to and are needed for your degree/certificate program you are pursuing at Kishwaukee College.

### **FIRST TIME LOAN BORROWERS**

- ▶ Complete the Direct Loan Master Promissory Note (MPN) on-line at [studentaid.gov](https://studentaid.gov). Log in with your FSA ID and complete a Master Promissory Note (MPN) for subsidized/unsubsidized loan for undergraduate students.
- ▶ Complete Loan Entrance Counseling (LEC) on-line at [studentaid.gov](https://studentaid.gov). Log in with your FSA ID and complete the required Loan Entrance Counseling (LEC).
- ▶ View the Kishwaukee College Financial Aid Loan Counseling video (available [here](#)) and complete the Loan Entrance Counseling Acknowledgment form.

### **TRANSFER STUDENTS**

- ▶ Log onto [studentaid.gov](https://studentaid.gov) with your FSA ID and follow the instructions to add Kishwaukee College to your completed Loan Entrance Counseling (LEC) and complete a new Master Promissory Note (MPN). Kishwaukee College school is 007684.
- ▶ Cancel any pending loan disbursements with other schools. This is important especially when transferring in the middle of an academic year.



## CONTINUING BORROWERS

- ▶ Print your Student Loan History from the [studentaid.gov](http://studentaid.gov) to determine how much you have borrowed to date. This information will be requested on the Direct Loan Request Form.
- ▶ Students should keep track of current and past Direct Loans. Based on your current borrowing, estimate monthly payments by visiting [StudentAid.gov/Repayment-Estimator](http://StudentAid.gov/Repayment-Estimator)
- ▶ If you do not plan on attending Kishwaukee College, it is **YOUR** responsibility to officially withdraw from your course(s). It is NOT the school's responsibility to drop you from your course(s). Failure to drop or withdrawing after the tuition refund date may result in charges that you may owe to Kishwaukee College.
- ▶ You may owe a portion of your financial aid/loans back if you do not complete your classes with a passing grade or you withdraw from all your classes in a semester.
- ▶ A Department of Education loan origination fee up to 3.0% is deducted from the amount you borrow and will be deducted prior to your receipt of the funds.
- ▶ If I am an out-of-district student, financial aid may not be enough to cover all charges.
- ▶ I will be responsible for any charges that exceed my financial aid award.
- ▶ In order to receive any financial aid, you must be actively pursuing completion of courses in which you are enrolled.
- ▶ Direct Student and PLUS loans are part of the Federal Financial Aid Program and are subject to the Kishwaukee College Financial Aid Eligibility and Academic Progress and Requirements to qualify to receive loans.
- ▶ Kishwaukee College has the right, on a case-by-case basis, to refuse to certify/originate a student loan.



**Annual Direct Loan Limits for 2023-2024**

We suggest using the Loan Budget Worksheet to help you determine the least amount to request. Please review the loan limits listed below to determine your Direct Loan eligibility.

Dependent Undergraduate Students	Maximum Yearly Subsidized Direct Loan Amount	Additional Yearly Unsubsidized Direct Loan Amount
Freshman	\$3,500	\$2,000
Sophomore	\$4,500	\$2,000
Independent Undergraduate Students	Maximum Yearly Subsidized Direct Loan Amount	Additional Yearly Unsubsidized Direct Loan Amount
Freshman	\$3,500	\$6,000
Sophomore	\$4,500	\$6,000

**TO BE CONSIDERED A SOPHOMORE STUDENT, YOU MUST HAVE EARNED 30 OR MORE SEMESTER HOURS OF 100 LEVEL OR ABOVE COURSES THAT CAN BE APPLIED TO YOUR CURRENT DEGREE PROGRAM AT KISHWAUKEE COLLEGE.**

**FIRST YEAR NURSING STUDENTS AND RADIOLOGY STUDENTS ARE CONSIDERED FRESHMAN STUDENTS AND CAN ONLY BORROW FRESHMAN LOAN AMOUNTS.**

**\*\*Based on your financial need, you may receive both Subsidized and Unsubsidized Direct Loans. The total amount of both loans may not exceed the annual loan amount and your cost to attend Kishwaukee College. You will first be awarded a Subsidized Direct Loan, if eligible, with any remaining loan eligibility awarded as an Unsubsidized Direct Loan.\*\***

**Maximum eligibility is based upon enrollment in courses that apply and are needed towards your degree, student budget, EFC, and annual limits. One-semester loans are based on half of the yearly amounts.**

**I understand that loans may decrease my work-study eligibility.**

**FIRST TIME BORROWERS 150% RULE FOR STUDENTS WHO BORROW AFTER JULY 1, 2014:**

1. Students may receive Direct Subsidized loans for no more than 150% of the length of the current academic program. For example, a student enrolled in a two-year program will have three years' worth of subsidized loan eligibility and a student enrolled in a four-year program will have six years' worth of subsidized loan eligibility.
2. Once a student reaches the 150% mark in a particular program, their future subsidized loan eligibility in that program will end. They may, however, be eligible for unsubsidized loans.
3. A student who reaches the 150% limitation will have their interest subsidy end for all outstanding subsidized loans if the student does not graduate and continues to be enrolled in the same or a shorter undergraduate program. Repayment does not begin, but like unsubsidized loans, the student (rather than the government) would become responsible for interest that accrues from this point forward.
4. If you borrow the full annual amount during one semester, you will use more than one semester's worth of timeframe within your 150%.



**2023-2024 Financial Aid Loan Budget Worksheet**

Use this worksheet to help you determine the amount of Direct Student Loan you need to request. Please list your academic expenses and funding resources for each semester.

When borrowing a student loan you are agreeing to the **legal obligation to repay** your educational debt. **It is very important that you borrow ONLY the amount needed.**

<b>Academic Expenses* (Step 1)</b>	<b>Fall 2023</b>	<b>Spring 2024</b>
Tuition and Fees	\$	\$
Books and Supplies	\$	\$
Other (examples: housing, food, transportation)	\$	\$
<b>Total Academic Expenses</b>	<b>\$</b>	<b>\$</b>
<b>Funding Sources* (Step 2)</b>	<b>Fall 2023</b>	<b>Spring 2024</b>
Pell Grant	\$	\$
IL Monetary Award Program (MAP)	\$	\$
Scholarships/Sponsorships	\$	\$
Veteran Benefits	\$	\$
Work Study (Loans may decrease work study eligibility)	\$	\$
Other:	\$	\$
<b>Total Funding Sources</b>	<b>\$</b>	<b>\$</b>
<b>Unmet Need</b>	<b>Fall 2023</b>	<b>Spring 2024</b>
Total Academic Expenses (Step 1)	\$	\$
Subtract Total Funding Sources (Step 2)	\$	\$
<b>The difference is your unmet need</b>	<b>\$</b>	<b>\$</b>

\*Tuition/fees and award amounts can be found on your MyKC Self-Service page.



## KISHWAUKEE COLLEGE

### DIRECT LOAN CHECK DISBURSEMENT INFORMATION

#### **ALL students who have applied for a Direct Loan MUST:**

- Enroll in a program leading to a degree or certificate that you can earn at Kishwaukee College. **Financial aid can be awarded only for courses that apply and are needed toward the Kishwaukee College degree.**
- Enroll in a minimum of least **six semester hours each term that apply and are needed for the degree or certificate program that you are pursuing at Kishwaukee College.**
- Be in good academic standing for financial aid/loans.

**All loans are disbursed in two payments.** Loan refunds will not be disbursed until faculty has verified enrollment approximately two weeks into the class. **No refunds are disbursed until attendance verification has been done.**

**Two semester** loans (loans for Fall Semester and Spring Semester) are disbursed in two equal amounts. Half the loan amount is disbursed in Fall Semester and the other half is disbursed in Spring Semester.

**Loan disbursements for First-time students with Kishwaukee College cannot be released until 30 days after the beginning of the first term of the loan per Federal regulations.**

**One semester** loans are disbursed in two equal payments. The first disbursement is made at the beginning of the term for Kishwaukee College continuing students. The second payment is made at the midpoint of the term. Students should only borrow one semester loans when they will be graduating in the Fall semester or first starting in Spring. Note: students graduating at the end of a single semester may have their loans prorated.

All loan proceeds are used first to pay all debts and amounts owed to the College. Once all debts to the College are paid the remainder of the proceeds will be mailed to your preferred mailing address or direct deposited. Direct Deposit is set up through your MyKC page/Self-Service, under Banking Information and is strongly suggested.

### **RIGHTS AND RESPONSIBILITIES OF DIRECT STAFFORD LOAN BORROWERS**

Borrowers are obligated to repay loan(s), including all accrued interest and deducted fees, even if the borrower does not complete the program, cannot find employment or is dissatisfied with the program of study.

The minimum monthly payment is \$50 but may be larger depending on the amount borrowed. Borrowers must begin to repay the loans after the six-month grace period.

The interest rate is specified in the Notice of Loan Disclosure and Guarantee Statement that will be sent after the loan application is processed from the Department of Education.

Borrowers must notify their loan servicer within 10 days if any of the following occur; a change in name, address, phone number or graduation date; a transfer to another college or university; enrollment for less than or drop below half time; or complete withdrawal from school.

The borrower is responsible for contacting their loan servicer to apply for a deferment.

The borrower may contact their loan servicer to request forbearance if unable to make monthly payments.

If a student or parent borrower wishes to cancel all or a portion of a loan or loan disbursement, they must inform the school in writing within 14 days after receiving statement notification showing the school has credited the student's account.

Students who have received Federal Direct Stafford Loans while attending Kishwaukee College are required to complete online exit counseling within 30 days of graduating or dropping below 6 credits. Exit counseling is done through [studentaid.gov](https://studentaid.gov).

Failure to repay loans is considered **DEFAULT** and the following may result:

- National Credit Bureaus will be notified, having a negative effect on a borrower's credit rating;
- The entire unpaid balance will become due immediately;
- The borrower becomes ineligible for any additional federal aid;
- The borrower's wages and federal and state income tax returns may be garnished;
- Licensing will be revoked (nursing, radiology, etc.)

Please use the following information to contact the FSA Student Loan Ombudsman Group:

US. Department of Education  
FSA Ombudsman Group  
PO Box 1843  
Monticello KY 42633  
877-557-2575 phone  
606-396-4821fax

The following website will help you prepare before contacting the FSA Student Loan Ombudsman Group:

<https://studentaid.gov/feedback-ombudsman/disputes/prepare#how-prepare>

The Ombudsman Office is a final resource after individuals look for help through their loan servicer. Concerned borrowers should first contact their loan servicer or visit the Ombudsman website for further information. When contacting the Ombudsman be prepared to:

- \* identify the problem and reason behind it
- \* define expectations
- \* describe actions already taken to resolve issue
- \* supply documentation to support your position.

For the full Rights and Responsibilities refer to your Master Promissory Note at [studentaid.gov](https://studentaid.gov).



2023-2024 DIRECT LOAN REQUEST

Name: \_\_\_\_\_

Kish ID #: \_\_\_\_\_

1. I want to apply for a DIRECT loan in the total amount of \$ \_\_\_\_\_ \* to attend Kishwaukee College.
\*A total dollar amount is needed, or the loan will not be processed.

2. I want the loan to cover the term(s) checked below.

\_\_\_\_\_ Both Fall 2023 & Spring 2024

RECOMMENDED Dispersed half in Fall and half in Spring

\_\_\_\_\_ Fall 2023 Semester Only\*\*

\*\*Please note: a one semester only loan is disbursed in two disbursements within the semester requested.

\_\_\_\_\_ Spring 2024 Semester Only \*\*

First Time Borrowers: I understand if I borrow the full annual subsidized amount during one semester, I will use one year's worth of timeframe within my 150%. See information on the Annual Direct Loan Limits Sheet.

3. CONTINUING BORROWERS (required):

Log on to studentaid.gov with your FSA ID to complete the following information:

I have borrowed to date: Subsidized loans: \$ \_\_\_\_\_ and Unsubsidized loans: \$ \_\_\_\_\_

4. REQUIRED: Submit a copy of your valid Government issued photo identification; such as driver's license, state ID or passport with your Direct Loan Request.

NOTE: Official academic transcripts are strongly suggested in order to determine your maximum loan eligibility.

New Borrowers: I understand that I must complete a Direct Loan Master Promissory Note (MPN) and on-line Loan Entrance Counseling by logging onto studentaid.gov. You will need your FSA ID. You are also asked to sign up for an in-person loan counseling session through the Financial Aid Office.

Transfer Students: I understand that I must log onto studentaid.gov follow the instructions to add Kishwaukee College (007684) to my completed loan entrance counseling and complete a new Master Promissory Note (MPN) for Kishwaukee College. I have also notified my previous school to cancel any future disbursements.

I understand that I must be enrolled at least six (6) credit hours each semester that apply to and are needed for my degree or certificate program that I am pursuing at Kishwaukee College in order to borrow a FEDERAL DIRECT LOAN.

I understand that I am requesting a student loan and that I am responsible for repaying this loan. Payments of at least \$50 will begin within 7 months after graduation or when I am no longer a half-time student.

I understand that loans may decrease work study eligibility.

I certify that the information on this form is true, accurate, and complete to the best of my knowledge. Incorrect information will delay or prohibit the processing of my loan application.

Signature

Date