



Financial Aid Offices:

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Federal Direct Stafford Loan Adjustment Form 2017-2018 Academic Year

Name: _____ MassBay ID#: _____ Date: _____

As part of your financial aid award for the 2017-2018 academic year, you have been awarded a Federal Direct Loan. The Federal Direct Loan is a non-credit loan available to students for post-secondary educational expenses. Please see **Direct Loan Information and Facts** on the back of this form for more information about Federal loans.

Increasing Your Loan

Complete this section to increase your loan. **Please note**, increase requests will be reviewed and awarded based on your total cost of attendance (tuition, fees, basic calculation of living expenses), minus financial aid already awarded.

☐ Requested Amount: \$ _____

☐ Requesting Max Amount (both subsidized and unsubsidized)

Please explain the reason for your request (you may attach a separate page if needed):

Cancel Your Loans

If you wish to **completely cancel** loans you have already been awarded, please check one of the boxes below:

☐ Cancel all loans

☐ Cancel only unsubsidized loans

Reduce the Amount of Your Loan

Complete this section to borrow the loan, but take less than you were awarded. Keep in mind that all loans will have fees taken out before they are posted to your account (about 2% less). **Please list the exact amount you need.**

☐ Amount you need \$ _____

By signing this form, I understand I am responsible for repaying any loan funds I borrow. I understand that if I withdraw, drop below half-time status (6 credits), or stop attending classes, this loan may be decreased or cancelled and I will be responsible for paying the balance due on my bill to MassBay Community College. I understand that the total loan amount requested will be split evenly throughout the loan period approved. Under no circumstances will more than 50% of my student loan eligibility be disbursed at one time unless it is past the second or subsequent disbursement date. I have read and understand the Direct Loan Information and Facts listed on page 2 of the Loan Adjustment Form for 2017-2018.

Signature _____ Date _____

Staff Use Only

Date Processed _____

Staff Initials _____

Direct Loan Information and Facts:

Loan Types:

Subsidized Loans: Available to students who demonstrate financial need, (based on information from the FAFSA) are eligible for the Federal Direct Subsidized Loan. The federal government pays the interest on this loan while the student is enrolled at least half-time.

Unsubsidized Loans: Undergraduate students who do not demonstrate financial need (based on information from the FAFSA), are eligible to borrow with the Federal Direct Unsubsidized Loan program. The student is responsible for the interest on the unsubsidized loans even during periods of enrollment. Borrowers may choose to defer the interest payments while in school and during the six-month grace period, but the interest will be capitalized (added to the principal).

Direct Loan interest rate:

Loans made on or after	And disbursed before	Fixed Interest rate
July 1, 2017	July 1, 2018	4.45%

Federal Direct Loan Origination Fee:

Every Federal Direct Loan has an origination fee, set by the U.S. Department of Education, subtracted from the amount borrowed before the loan is disbursed in to the student's MassBay account. Thus, the net loan amount disbursed is always less than the amount borrowed. Loan fees vary based on the date of disbursement.

- First Disbursed on or after October 1, 2017 and before October 1, 2018: Fees are 1.066%
Example: a \$5,500 loan will credit as \$5,441 to the student's account ($\$5,500 - 1.066\% = \$5,441$).

Repayment Begins: 6 months after a student graduates, withdraws, or drops below half-time enrollment (<6 credits).

Enrollment Status: Students must be enrolled half-time both at the time of awarding and at time of disbursement. Half-time is defined as at least 6 credit hours. Students who drop below half-time will have future disbursements cancelled and must complete exit loan counseling. For example, if the student is approved for a fall/spring loan and drops below half-time in the fall, the spring portion of the loan will be cancelled and the student will need to reapply for the loan if they want loan funds for spring. This process can delay the receipt of spring loan funds.

Disbursement: Loan funds are disbursed in two equal payments. For a fall/spring loan, the funds are disbursed in the fall and spring semesters after course participation has been confirmed. For a one semester loan, half of the funds are disbursed after course participation has been confirmed and the other half after the midpoint of the semester.

Maximum Eligibility Period: New borrowers are now limited to borrowing subsidized student loans for three years for an associate's degree and one and a half years for most certificate programs.

Loan Reporting: All federal student loans obtained by a student or parent are reported to and tracked on the National Student Loan Data System (NSLDS). Student and parent loan borrowers may view their federal loan information at www.nsls.ed.gov. Borrowers access the system using their Federal Student Aid ID. NSLDS loan records are accessible to all authorized NSLDS users including the student borrower, schools, student loan guaranty agencies, lenders, federal agencies, and other authorized users. Alternative and private education loan information is not reported to NSLDS.

Annual Loan Maximums	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.