



2020-2021 FEDERAL DIRECT LOAN INFORMATION

Financial Aid | 12401 SE 320th St, Auburn, WA 98092 | 253-833-9111 (2449) | FAX 253-288-3473 | ✉: finaid@greenriver.edu

Federal Stafford loans are called Direct Loans. The U.S. Department of Education is the direct lender for the William D. Ford Federal Direct Loan Program.

Types of Direct Loans

Subsidized Loans: To qualify for a subsidized loan, you must demonstrate need through the financial aid application process. The federal government makes the interest payments on your loan while you are attending school at least half time.

Unsubsidized Loans: To qualify for an unsubsidized loan, you do not have to demonstrate financial need. You are responsible for all the interest that accrues, even when you are attending school. You can postpone your interest payments while attending school and during certain other periods, however, your accrued interest will be added to your principal balance when you enter the repayment period. We recommend that you make the regular interest payments as it will decrease the amount that you owe when you enter the regular repayment phase.

***** The interest rate is fixed at 2.75% for loans first disbursed on or after 07/01/20. That rate is fixed for the life of the loan. As of 10/01/19, an origination fee of 1.059% is deducted from each disbursement.**

Annual Maximum Loan Limits

Direct loans have annual maximum loan amounts based on grade level and dependency status. Base loan amounts can be subsidized or unsubsidized depending upon eligibility.

FEDERAL DIRECT LOAN ANNUAL LIMITS (FALL 2020 through SUMMER 2021)

Student Type	Base Amount	Additional Unsubsidized	Total
Dependent/1st Year	\$3,500	\$2,000	\$5,500
Dependent/2nd Year	\$4,500	\$2,000	\$6,500
Independent/1st Year	\$3,500	\$6,000	\$9,500
Independent/2nd Year	\$4,500	\$6,000	\$10,500
Bachelor's Degree Dependent/3 rd Year and Beyond	\$5,500	\$2,000	\$7,500
Bachelor's Degree Independent/3 rd Year and Beyond	\$5,500	\$7,000	\$12,500

- You must have completed 45 college level credits toward your program of study to be considered a second year student.
- For bachelor's degree students, you must have completed 90 college level credits toward your program of study to be considered a third year student.
- Since your total aid cannot exceed your applicable Green River budget, you may not be eligible for the maximum loan amount. You always have the option to request less than the maximum amount.

Loan Entrance Counseling and Master Promissory Note

You will need to electronically sign the **Master Promissory Note (MPN)** and complete the **Direct Loan Entrance Counseling** before funding can be requested (follow the steps below). Funds are not available before the beginning of the quarter.

1. Go to <https://studentaid.gov>. You will need your FSA ID to log in to the website. Call the Federal Student Aid Information Center (1-800-433-3243) if you need assistance with your FSA ID.
2. Under Complete Aid Process select Complete Entrance Counseling. Click the START button and select "I am completing entrance counseling to receive Direct Loans as an undergraduate student"
3. Under Complete Aid Process select Complete Master Promissory Note. Click the start button next to "MPN for Subsidized/Unsubsidized Loans"
4. If you have any problems, you can call the Student Loan Support Center at 1-800-557-7394

*****These both must be completed accurately before we can transmit any loan funds.**

Mid-Point Loans and 30 Day Delays

Mid-Points: If the loan request covers 2+ quarters, the total loan will be divided equally among all eligible quarters. **If the loan covers only one quarter, it will be disbursed in two payments.** The first half of the loan will be disbursed at the start of the quarter and the remaining half will come after the midpoint of the quarter. If the midpoint date has passed, the full loan will be disbursed.

30 Day Delays: If you are a first-year undergraduate student as well as a first-time Stafford Loan borrower, you will have to wait 30 days after your first quarter starts to receive the first loan disbursement.

*****Active participation in classes is checked before either of these disbursements is made.**

Receiving your Loan Funds

- You must take classes that are required for your eligible program at Green River College. You must attend and be enrolled in a minimum of **six** credits per quarter.
- The Academic Progress Policy must be met. **A quarterly GPA of 0.00 will result in cancelation of future loan disbursements;** you may reapply for loans if your eligibility is reinstated.
- Green River College will receive loan funds electronically from the Department of Education. The loans will be applied to tuition and fees first. Any remaining funds will disburse at the start of each quarter.
- Funds will be disbursed to you via your BankMobile refund preference choice. When you set up your BankMobile account, you must select one of the following refund options:
 1. Transfer the funds to your personal checking account (2-3 business days to receive)
 2. Have the funds placed in your BankMobile Vibe Checking Account
 3. Issue funds as a paper check to be sent by mail (1 week to receive)
- All or part of the loan may be canceled within 14 days after the school sends a disbursement notice.

Repayment of Loan Funds

- Once no longer enrolled in at least six credits at an eligible Higher Education Institution, you will enter your Grace Period on any student loans you have received and owe a balance on. Your Grace Period will last 6 months unless you re-enroll at least half time in school. Once your grace period has ended, you will need to have selected a repayment plan and begin making monthly payments on your loans.
- During the Grace Period, you should take the following steps:
 - **Create a budget** to determine how much you can afford to pay each month
 - **Know your options!** Use the Repayment Estimator at <https://studentaid.gov> to determine how much you owe and compare the various repayment plans offered to you
 - **Contact your Servicer!** Determine who your loan servicer is on <https://studentaid.gov> and sign up for online account access through their website. This is where you will make your monthly payments and update your contact information
 - Once you have determined which repayment plan will work best for you, **complete your Loan Exit Counseling** online at <https://studentaid.gov> to select that plan. Loan Exit Counseling is a requirement for all student loan borrowers and provides helpful information about repaying your student loans.

If at any point during repayment you are unable to make your monthly payments, make sure to contact your loan servicer. You can request a deferment or forbearance due to hardship, which will temporarily postpone your monthly payments. You can also ask for an Income-Driven Repayment plan, which can lower the minimum payment you need to make each month on your loans.

Make sure to avoid defaulting on your student loans. Defaulting on loans can have severe consequences, such as:

Defaulting on loans can have severe consequences, such as: The entire balance of your loans are immediately due, they will be accruing interest and fees until they are paid, you will lose eligibility for any future financial aid, your credit score will be damaged, your income tax return may be withheld to pay the debt, your wages may be garnished to pay the debt, and/or the loan holder can take legal action against you if necessary.

If you are in danger of going into default, make sure you contact your loan servicer to find out your options. You can find their contact information online at <https://studentaid.gov> or by calling 1-800-4FED-AID.