

Requesting a William D. Ford Direct Loan

Once you have completed the **Free Application for Federal Student Aid (FAFSA)**, and provided all required documents to the Office of Student Financial Services, we will determine any eligibility you may have for Federal and State grants. Grants are gift aid and therefore a much better option than loans which must be **repaid**.

If you are not eligible for any grants, or if the amount of grant money you are awarded is not sufficient to cover your educational expenses at Forsyth Tech, you may want to consider requesting a loan. **Remember to borrow wisely.** Never borrow more than you can afford to repay, even if you are eligible to borrow more. Calculate your expenses and resources. Use a [budget calculator](#) to help you determine how much you really need to pay for your education. We strongly encourage you to complete Financial Awareness Counseling at www.StudentLoan.gov to assist you in managing your finances and determining how much you can afford to borrow.

If you wish to apply for a Federal Direct Loan, please complete the following:

1. **All students** must complete **Entrance Counseling** annually to request a Direct Loan at Forsyth Tech. Go to www.StudentLoans.gov and complete Entrance Counseling as an undergraduate student. Select Forsyth Tech as one of the schools to receive your counseling results.
2. **First-time Student Borrowers** must also complete a Subsidized/Unsubsidized **Master Promissory Note (MPN)**. The MPN may be valid for up to 10 years, so you won't necessarily need to complete a new one each year.

If you had a Direct Loan at another school in the past, but not at Forsyth Tech, please email our Loan Specialist at vlenderman@forsythtech.edu so that we can pull your MPN record from the Department of Education. Students who received a Direct Loan at Forsyth Tech do not need a new MPN.

3. Parents wishing to apply for a Direct PLUS loan for their dependent student must complete a Direct PLUS Loan Request at www.StudentLoans.gov. PLUS loans are subject to a credit check.

If you have any questions or problems completing the Entrance Counseling or Master Promissory Note on the www.StudentLoans.gov website, you can contact the Student Loan Support Center at 800-557-7394.

When we have awarded your Direct Loan, you will be notified by email to check your Financial Aid Award letter on TechLink to view your loan amounts. You will be awarded the maximum amount you are eligible to receive. If you wish to reduce or cancel the loan amount, please complete the "Request to Reduce or Cancel Federal Direct Loan" form available to download from our TechLink page and return to our office. Otherwise, the loan amount on your award letter will be processed with the Department of Education, and you will receive a disclosure statement from them confirming the loan.

Loan awards will be applied to your tuition and fees charges, and made available for you to charge against at the bookstore during designated periods. Any excess amounts will be sent to you in the Financial Aid Balance checks, mailed to your address on record with the college at determined dates in the semester.

If you drop below half-time enrollment, leave Forsyth Tech or graduate from your program of study, you must complete **Exit Counseling**. This can be done online at the National Student Loan Data System at www.NSLDS.ed.gov.

Direct Loan FAQ

- 1. Can I get a loan if I don't qualify for any grants or if I or my parents made too much money last year? Yes.** The Direct Loan for students has both a Subsidized and Unsubsidized component. The Subsidized loan is available to students who demonstrate financial need, as determined by the FAFSA and the Office of Student Financial Services. The Unsubsidized loan is available to students regardless of financial need. The Parent PLUS loan is available to the parents of dependent students regardless of financial need.
- 2. Do I have to be enrolled full-time to receive a loan? Can I get a loan for any program or coursework? No.** To be eligible for a Direct Loan, you need to be enrolled at least half-time (6 credits hours at Forsyth Tech) in an eligible program of study. Please refer to the 2013-2014 Guide to Financial Aid at Forsyth Tech for more information on program and course eligibility.
- 3. My grades aren't great; can I still get a loan? Maybe.** Direct Loan eligibility is subject to the same Satisfactory Academic Progress (SAP) requirements as other Federal Student Aid. Your SAP status is reviewed every semester, and if it is determined you are not meeting requirements, your loan award may be canceled. Please refer to the 2013-2014 Guide to Financial Aid at Forsyth Tech for more information on our Satisfactory Academic Progress policy.
- 4. How much can I borrow? It varies.** The amount of your loan award depends on your dependency status, how many credit hours you have completed, other aid awarded, cost of attendance for the period of enrollment and other factors. A dependent student who has completed fewer than 33 credit hours can borrow a maximum of \$5500 per year. An independent student who has completed fewer than 33 credit hours can borrow a maximum of \$9500 per year.
- 5. I don't need the full amount awarded to me. Can I reduce or cancel any portion of the loan? Yes.** Until the loan is disbursed, you may use the *Reduce or Cancel Loan Amount* form on our website to change the amount of your loan. Once disbursed, you can send any unwanted funds to your loan servicer within 120 days to cancel that portion of your loan.
- 6. Can I use my loan money to pay for anything I want? No.** You may use your loan money only to pay for authorized educational expenses while at Forsyth Tech. Authorized educational expenses include tuition and fees, books and supplies, equipment cost or rental, room and board, transportation, dependent child care, and other documented authorized costs.
- 7. Do I have to make payments on the loan while I am in school? No.** Payments on Subsidized/Unsubsidized Direct loans are deferred while you are enrolled at least half-time and for six months after you drop below half-time. However, interest will be charged on the Unsubsidized loan, and you may choose to pay it rather than capitalize the interest while you are in school. Payments on a Parent PLUS loan begins as soon as the loan is fully disbursed, but may be deferred while the student is enrolled at least half-time. Interest is charged on the Parent PLUS during all periods.
- 8. Do I have to pay my loan back if I don't graduate or if I don't get a job in my field? Yes.** By signing the Master Promissory Note, you are promising to repay the Federal Government the full amount of the loan disbursed plus any interest or fees.