

2020-2021 DIRECT LOAN APPLICATION PROCESS

STEP 1. BEFORE you apply for a loan, you must:

- 1) Complete the 2020-2021 FAFSA online at <https://fafsa.ed.gov>
- 2) Complete all required financial aid verification items (if any)
- 3) Meet the Financial Aid Satisfactory Academic Progress (SAP) standards
- 4) Register for classes in at least 6 credit hours (half-time)
- 5) **First-time borrowers at ACC** must also go to <https://studentaid.gov> log in with your FSA ID, click accept, under “Complete Aid Processes” select:
 - a) Complete Master Promissory Note, select MPN for Subsidized/Unsubsidized start button, complete the information and submit, and
 - b) Complete Entrance Counseling, select start, complete the information and submit.

STEP 2. SUBMITTING the loan request:

- 1) Complete and sign the 2020-2021 Federal Direct Loan Amount Request Form
- 2) Submit it to the ACC Financial Aid Office.

STEP 3. AFTER you submit the loan request:

- ✓ Financial Aid Staff will review your Direct Loan Request Form
- ✓ The loan certification process may take approximately 2-3 weeks. *Inaccurate or incomplete information on the Direct Loan Amount Request Form may delay loan processing.*
- ✓ After the loan certification, students will receive an award notification in their ACC e-mail account regarding updated loan award.
- ✓ Loan refunds are disbursed according to Federal guidelines and the student’s preference selected on the Direct Loan Amount Request Form.

Recommended Borrower Resources:

- ✓ Log on to the Student Aid website to check your loan balance and servicer information on <https://studentaid.gov>. Once you log in, click on the arrow next to your name and click “Aid Summary.”
- ✓ Go to <https://mappingyourfuture.org/paying/debtwizard/index.cfm> to see how much salary you need to support your student loan debt.
 - If you are currently employed and you stay employed with the company making a certain wage, you can use the site to see how much you can afford to borrow in student loans based on your current salary.
 - You may also adjust the amount to minimum wage to see the maximum you should borrow based on minimum wage earnings.

Federal Loan Interest Rates

(July 1, 2019 to June 30, 2020)

Direct Subsidized/Unsubsidized Loans	4.53%
Direct PLUS (Parent)	7.08%

(July 1, 2020 to June 30, 2021)

Direct Subsidized/Unsubsidized Loans	2.75%
Direct PLUS (Parent)	5.30%

Current Federal Loan **Origination Fees

Direct Subsidized/Unsubsidized Loans	1.059%
Direct PLUS (Parent)	4.236%

**An *origination fee* is a fee charged by a lender (in this case, the federal government) on entering into a loan agreement to cover the cost of processing the loan. This rate changes in October of each year.

Other or additional options

-Google “Alternative Student Loans” to compare different lenders who offer student loans.

-Check with your bank or credit union on student loan options