

2011 - 2012
Direct Loan Information

In addition to the general information included with your award letter, it is important that you understand additional facts regarding your student loan. These are the steps that you must take in order for your loan to be disbursed:

1. Entrance Counseling

If you are a first-time student loan borrower, you must complete entrance counseling before your loan funds will be released. Direct Loan entrance counseling is completed on-line at <https://studentloans.gov>. We will receive electronic notification of completion and update your record accordingly.

2. Master Promissory Note (MPN)

A master promissory note must be signed prior to disbursement of your first Direct Loan. A master promissory note is a multi-year promissory note that allows you to receive multiple loans without having to sign a new promissory note for each new loan. This note is valid for 10 years and covers both Federal Direct Subsidized loans and Federal Direct Unsubsidized loans. You have the ability to prevent future loans from being added to your master promissory note by submitting a written request to the Department of Education. **The MPN is signed on-line at <https://studentloans.gov>.** The four digit pin number that you used to sign your FAFSA is the same pin number that serves as your electronic signature on the promissory note. We will receive electronic notification of completion and update your record accordingly.

3. Second Degree Students/Doctoral Students

If you are pursuing a 2nd bachelor's degree, 2nd master's degree, or a doctoral degree, we must have a **Course Audit Form** on file. **If this form has not been submitted, you may access and print the form at <http://uwf.edu/finaid> in the online forms section.** This form is completed by your academic advisor and returned to the Financial Aid Office; **no aid will be disbursed until this form is returned.**

4. Graduate/Specialist/Doctoral Students

- You must be admitted into your program and your previous degree posted prior to disbursement of financial aid.
- If you are taking prerequisite courses, we must have a letter from your academic department stating the courses are required.
- If you are enrolled in any undergraduate courses, they must be annotated for graduate credit, approved by the Dean of Graduate Studies, or they do not count towards your enrollment status for financial aid eligibility.

What you need to know about your Direct Loan:

- By accepting your Direct Loan, you are entering into a contract with the federal government to repay your student loan. It is important that you monitor the debt that you incur. Budget carefully, and do not incur more debt than necessary. You have the option to reduce or cancel your loan at any time prior to disbursement.
- **Loan Fee** – A loan fee of .5% will be deducted from the gross loan amount prior to each disbursement.
- **Interest Rate** – Effective July 1, 2011, the interest rate for **new** loans for an undergraduate student with a subsidized loan will be 3.4%; all unsubsidized loans and loans for graduate students will remain at 6.8%.

Subsidized Loan – The federal government pays all interest while you are enrolled at least half-time, during the 6 month grace period, and during all eligible periods of deferment. We will always evaluate your eligibility for a subsidized loan prior to awarding the unsubsidized loan.

Unsubsidized Loan – The borrower is responsible for all interest. Repayment of interest begins immediately after the loan is disbursed unless the borrower chooses to capitalize the interest and let it continue to accrue.

- **Disclosure Statement** - You will receive a disclosure statement from the Federal Direct Loan Origination Center for each loan that is disbursed. This disclosure statement provides complete information about the type of loan, the amount (including both Direct Subsidized and/or Direct Unsubsidized Loans), your loan period, and anticipated disbursements. Keep these disclosure statements for your records. They will allow you to keep track of your total loan debt since you do not sign a promissory note for each new loan.
- **Annual and Aggregate Loan Limits** – Please refer to our website to determine what the maximum loan limits are for your student classification. We award loans in equal disbursements over fall and spring semesters unless you have indicated differently. If we have awarded your loan for a semester that you will not be enrolled, you must let us know, so we can review your eligibility. Keep in mind, this does not guarantee an increase in your loan amount for the enrolled semesters. In some instances, this could reduce your eligibility or change your eligibility from a subsidized to an unsubsidized loan. Also, remember that if you elect to have the maximum award for one semester, this could affect your eligibility for the rest of the academic year.
- **Exit Counseling** - Students who are graduating from UWF, withdrawing, or have a period of non-attendance are required to complete exit counseling. You will receive email notification of this requirement from the Financial Aid Office. **Exit counseling is completed on-line at www.nsls.ed.gov/nsls_SA.**