

WHAT IS THE WILLIAM D. FORD DIRECT LOAN PROGRAM?

The Federal Direct Loan program provides low interest, long term loans to you or your parents to help you pay for college. The U.S. Department of Education is your lender, not a bank. The college determines your eligibility, calculates the loan amount and disburses the money according to federal requirements. Once the loan is made, it is managed and collected by the U.S. Department of Education.

WHAT ARE THE THREE TYPES OF FEDERAL DIRECT LOANS?

Subsidized Direct Loans:

- Eligibility is based on financial need as determined from the information you provide on your FAFSA.
- No interest is charged while you are attending school at least half-time.

Unsubsidized Direct Loans:

- Allows you to borrow money in addition to any amount you are eligible for with a subsidized loan.
- Financial need is not a factor in determining eligibility as long as the requested loan amount doesn't exceed your cost of attendance.
- The federal government charges you interest from the time the loan is disbursed until you pay the loan in full.

Direct PLUS Loan:

- Allows your parents (if you are a dependent student) to borrow up to your cost of attendance minus any other financial aid you may be receiving.
- The federal government charges your parents interest from the date the first disbursement is made until the loan is paid in full.

HOW MUCH MAY I BORROW?

You are subject to annual and aggregate (combined total) loan limits as shown in these charts:

Dependent Students	Base Amount (<i>may be subsidized or unsubsidized</i>)	Additional Unsubsidized Amount	Total Sub & Unsub
Freshmen (0-29 credits)	3,500	2,000	5,500
Sophomores (30 or more credits)	4,500	2,000	6,500
Undergraduate Aggregate Maximum	23,000	8,000	31,000

Independent Students	Base Amount (<i>may be subsidized or unsubsidized</i>)	Additional Unsubsidized Amount	Total Sub & Unsub
Freshmen (0-29 credits)	3,500	6,000	9,500
Sophomores (30 or more credits)	4,500	6,000	10,500
Undergraduate Aggregate Maximum	23,000	34,500	57,500

HOW MUCH MAY MY PARENTS BORROW?

Your parents may borrow up to the yearly cost of attendance at BMCC minus any estimated or actual financial aid you may be receiving. There are no annual or aggregate loan limits for PLUS loans beyond the established yearly cost of attendance amounts.

ARE THERE OTHER LIMITS ON THE AMOUNT I MAY BORROW?

Yes. You may not borrow more than the cost of attendance at BMCC minus your EFC and any other financial aid you may be receiving. If your period of enrollment is less than a full academic year, the amount of loan assistance you are entitled to may be less than the maximum amounts listed above.

HOW DO I APPLY FOR A DIRECT LOAN?

Complete each of the following steps to request a Federal Direct Loan.

1. Apply for federal student aid by completing a FAFSA at www.fafsa.gov. You will receive a Student Aid Report via e-mail within 72 hours after your FAFSA submission.
2. Resolve any questions regarding your application information with the Financial Aid Office.
3. Using your Department of Education FSA ID, complete Entrance Counseling at studentloans.gov. This is required for all first-time Federal Direct Loan borrowers. Print out the results of the quiz and keep it with your records. If you don't know or have forgotten your FSA ID, apply for a new one at fsaid.ed.gov.
4. If you are a first time Direct Loan borrower, you must sign an electronic Master Promissory Note (e-MPN) at studentloans.gov. The e-MPN is a legal document that lists the terms and conditions under which you are agreeing to pay back the money you are borrowing. [If you previously signed an e-MPN but did not receive a disbursement of Direct Loan funds, you will need to sign another e-MPN.]
5. Decide on the amount you wish to borrow by referring to the table on the previous panel.
6. Complete the "[Direct Loan Processing Form](#)" on your CUNYfirst Student Center page. Your completed request will be processed by the Financial Aid Office electronically.
7. You may receive a Fall only loan if you are graduating at the end of the fall semester [based on your expected graduation date in CUNYfirst]. If you are not graduating at the end of fall, your loan will be processed as a Fall/Spring loan.
8. If you want to change or cancel your initial loan request, complete a Direct Loan Change Form at <https://www.bmcc.cuny.edu/finaid/> Click "Apply for Financial Aid" then "Request a Federal Direct Loan"

DO I HAVE TO SIGN A NEW MPN EACH YEAR AND RE-TAKE ENTRANCE COUNSELING?

No. Once you have become a borrower in the Direct Loan program, you will not be required to sign a new e-MPN to borrow again. The note already on file will be used for subsequent loan borrowing. You also are not required to re-take Entrance Counseling, though you may opt to do so if you wish.

WHAT HAPPENS AFTER I'VE SUBMITTED MY LOAN REQUEST?

Your request will be processed after we determined that:

1. You have filed a FAFSA for the current school year;
2. The information you provided on your FAFSA is correct;
3. You have registered for at least 6 credits (or the equivalent) each semester;
4. You have resolved all the loan related items on the "To Do" list in your CUNYfirst Student Center.

Once your request has been submitted to the Department of Education, your loan servicer will email you a Loan Disclosure Statement that will summarize information about the type of loan, the approved loan amount and estimated dates of disbursement. The approved loan amounts will also be added to your financial aid awards package which you can view on the Financial Aid Award Summary page in your CUNYfirst Student Center.

WHEN AND HOW DO I GET THE MONEY?

Your e-MPN must be acknowledged and approved before any loan funds can be authorized for disbursement. The "estimated" disbursement date on your Loan Disclosure represents the earliest date your loan can be disbursed. The actual disbursement date may be different.

You will be notified by e-mail as to the date your funds will become available. You will receive your loan refund by check or by direct deposit to your bank account.

Your class attendance will be checked to make sure you are maintaining at least half-time enrollment (at least 6 credits) prior to the release of any loan

DO I GET THE MONEY ALL AT ONCE?

No. The money will be disbursed in at least two installments. For loans covering the full academic year (Fall & Spring), each disbursement will occur no earlier than 30 days after the start of the semester. For loans covering one semester only, the second disbursement will occur midway through the semester. Summer loans are disbursed in one installment occurring during the second summer session.

WILL MY DIRECT LOAN FUNDS BE USED TO PAY MY OUTSTANDING CHARGES?

Yes. Your loan will first be disbursed to your CUNYfirst account and will be used to pay off any outstanding school charges. The loan amount not needed to pay your charges will then be refunded to you.

WHEN DO I BEGIN TO REPAY MY LOAN?

You have a six month grace period after you graduate, leave school or drop below half-time status before you must begin repaying the principal amount of your loan. You can pre-pay any portion of your loan at any time without penalty. **NOTE:** for most loans, interest will begin to accumulate during this 6 month grace period.

WHAT IS THE INTEREST RATE?

It varies. The interest rate for your loan is adjusted each year on July 1 and is calculated according to a federal formula. However, it will never exceed 8.25%. You will be notified as the interest changes.

HOW CAN I KEEP TRACK OF MY LOAN BORROWING HISTORY?

You can access information regarding your borrowing history at: studentloans.gov or the National Direct Student Loan Data System (NSLDS) website at: www.nsls.ed.gov. To access your information you must use your FSA ID.



INFORMATION GUIDE

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