

2020-2021

FEDERAL DIRECT LOAN INFORMATION & INSTRUCTIONS

INTEREST RATE:

Subsidized and Unsubsidized Federal Direct Loans with a first disbursement date after July 1, 2019 and before June 30, 2020 have a fixed interest rate of 4.53%. Please note that these rates are determined by the U. S. Department of Education and are subject to change in subsequent academic years. Interest rate for July 1, 2020 – June 30, 2021 is 2.75%. For additional information on how interest is calculated and what fees are associated with your federal student loan, visit <https://studentaid.gov/>.

LOAN FEES:

An origination fee is charged on all Federal Direct Subsidized and Unsubsidized Loans. For loans first disbursed on or after October 1, 2019 and before October 1, 2020 is 1.059%. Origination fee for October 1, 2020 – October 1, 2021 has not been announced.

CHECKLIST TO REQUEST A FEDERAL DIRECT LOAN:

1. Go to <https://studentaid.gov/> to complete the Entrance Counseling and Master Promissory Note.
 - a. At the Federal Student Aid home page, click on the **Log In** link.
 - b. Input your Username and Password, then click Log In.
 - c. Once you are signed in, under **MY CHECKLISTS**, select **I'M IN SCHOOL**.
 - d. Click on **Complete Loan Agreement** for Master Promissory Note (MPN).
 - e. Scroll down to the **Next Steps** section and click on **Complete Entrance Counseling** button for **Entrance Counseling**. Once you finish entrance counseling and click the **Submit Counseling** button, you will be at the **Entrance Counseling Summary** screen.
2. Click on the link **Subsidized/Unsubsidized**.

You will need reference information for two people with different U.S. addresses who have known you at least 3 years. The first reference should be a parent or legal guardian. **NOTE:** If you have completed a Direct Loan Master Promissory Note (MPN) within the last 10 years.
3. Log on to your **SBCC Pipeline** account.
 - a. Click on the **Student** drop-down menu near the top of the page, then select **FinancialAid**.
 - b. At the Financial Aid page, click on **Award**, then **Award for Aid Year**.
 - c. At the **Award for Aid Year** page, click on the **Award Overview** tab. Click on the **Direct Loan Request** link. The link includes the **Direct Loan Request** form and the **Direct Loan Recommendations and Additional Information** page.
 - d. Review the **Direct Loan Recommendations and Additional Information** page for helpful tools to complete the Direct Loan Request form.
 - e. The **Direct Loan Request** form is a fillable PDF which you will complete online and print.
4. **DURING CAMPUS CLOSURE, PLEASE USE ONLINE INSTRUCTIONS BELOW: When campus reopens, follow these instructions:** Come to the Financial Aid Office with the completed Direct Loan Request form to meet with a Financial Aid Advisor for loan intake advising.
 - a. You will need to present a picture ID to complete the loan intake process.

SPECIAL INSTRUCTIONS FOR ONLINE STUDENTS:

Using your SBCC Pipeline email address, email your completed Student Loan Request form to directloan@sbccc.edu and include a legible copy of an **unexpired government issued ID**. Please note that the Financial Aid Office may contact you for additional phone counseling and/or video chat in order to process your Federal Direct Loan request. During our peak processing time, it takes at least 7 business days for loan requests to be processed. Please note that incomplete loan requests will not be processed. **Campus Based Students:** Due to SBCC campus closure, Student support services are being offered remotely, please follow above instructions as Online Students (**Repeat Direct Loan borrower, be sure to include your NSLDS loan history report as directed on loan form**).

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The U. S. Department of Education has made available **FACT** (Financial Awareness Counseling Tool). FACT is an online interactive resource that provides students with basic financial literacy and information about federal student loan debt. Students can access FACT at <https://studentaid.gov>. Click on **Complete Financial Awareness Counseling** to learn more.

In some circumstances, Santa Barbara City College can modify or deny a student's loan request. Your loan request may be reduced or denied for the following reasons:

- Loan request is incomplete.
- Lack of Satisfactory Academic Progress.
- Student's educational goal (declared major) is not eligible for federal financial aid.
- Student is not enrolled in at least 6 Units.
- Student appears to be or have been in default or delinquent on financial obligations.
- Student does not understand rights and responsibilities of borrowing a student loan.
- The purpose of the loan is not related to an educational goal at SBCC.
- The purpose of the loan is not related to educational expenses at SBCC.
- Student has already borrowed a maximum appropriate for SBCC programs.
 - We recommend not borrowing more than 50% of your undergraduate maximum, i.e. \$15,500 for dependent students and \$28,750 for independent students.

ELIGIBILITY FOR FEDERAL DIRECT LOAN INTEREST SUBSIDY

As a result of legislation enacted in July 2012, eligibility for the Direct Loan interest subsidy will be limited for new borrowers on or after July 1, 2013. The law restricts the period of time for which a borrower may receive subsidized loans, in the aggregate, to 150 percent of the published length of the student's current educational program. Once the student reaches that limit, he or she may borrow only unsubsidized loans, and interest begins to accrue on the student's outstanding subsidized loan.

THE FOLLOWING POLICIES AND PROCEDURES APPLY TO ALL SBCC LOAN RECIPIENTS

- SBCC is a 2-year institution. Students are only eligible to apply as a 1st or 2nd year student.
- Loans are available to students attending SBCC at least half-time (6 Units).
- The grade level determined by Admissions and Records will be used to determine offered amounts. Transcripts from other institutions WILL NOT be considered by the Financial Aid Office to determine grade level for Federal Direct Loan.

**FEDERAL DIRECT LOAN REQUEST
INTAKE HOURS:**

Monday - 8 am to 4 pm
Tuesday and Wednesday - 8 am to 5:30 pm
Thursday - 8 am to 4 pm
Friday - 8 am to 12:30 pm

Campus Based Students: Due to SBCC campus closure, Student support services are being offered remotely, please follow above instructions as Online Students (*Repeat Direct Loan borrower, be sure to include your [NSLDS loan history report](#) as directed on loan form*).

U. S. DEPARTMENT OF EDUCATION STUDENT LOAN OMBUDSMAN GROUP INFORMATION

830 1st St, N.E. Mail Stop 5144, Washington, D.C. 20202-5144 **Telephone:** 877-557-2575

**2020-2021****FEDERAL DIRECT LOAN INFORMATION & INSTRUCTIONS****A. STUDENT INFORMATION**

_____ Last Name (Print)	_____ First Name	_____ M.I	_____ Student ID (K0 Number)
_____ Pipeline Email			_____ Phone Number

B. LOAN REQUEST**Please indicate the enrollment period for which you are requesting this loan:**
☐ Fall Only (December 2020 Graduates only) ☐ Academic Year (Fall 20 & Spring 21) ☐ Spring 21 Only

☐ Fall 2020, Spring 2021, and Summer 2021 ☐ Spring 2021 and Summer 2021 ☐ *Summer 2021 Only

***There is one disbursement period for combined Summer I and Summer II. (Disbursement eligibility is based on 6 or more units. However, you will not receive any financial aid until you are actively taking classes.)**

Please indicate the type and amount of loan you are requesting:
☐ Federal Subsidized Loan only \$ _____ Amount requested or ☐ Maximum Eligibility

☐ Federal Unsubsidized Loan only \$ _____ Amount requested or ☐ Maximum Eligibility

☐ Federal Subsidized & Unsubsidized Loan \$ _____ Amount requested or ☐ Maximum Eligibility
Please indicate your current borrower status:
☐ I am a first-time borrower

☐ I have borrowed in the past and I have attached a print out of my [loan history](https://studentaid.gov/) from <https://studentaid.gov/>
Please initial your understanding of the following:

_____ I have gone to <https://studentaid.gov/> and completed the Master Promissory Note which includes reference information for two people with different U.S. addresses I have known at least three years.

_____ I understand that Direct Loans are disbursed in two payments and that the first disbursement for first-time borrowers is 30 days after the beginning of the semester.

_____ I am enrolled in at least ***6 Units**. *To include previous semesters within the 2020-2021 academic year, you must have completed at least 6 or more units.

C. SIGNATURES

By signing below, I certify all information on this form is true and accurate to the best of my knowledge.

Student's Signature**Date**

SBCC Use Only	Intake Date _____
Advisor _____	Entrance Counseling? Yes _____ No _____ Photo ID: Yes _____ No _____ SAP _____
Enrollment Level: Fall 20 _____ Spring 21 _____ Summer 21 _____	Major Verified: _____
Residency: CA NR Balance per TSAAREV: _____	First Time/First Year? _____
History per RNASL20: OK _____ Aggregate Alert _____	Transfer Student – Check COD _____
Sub Loan Eligibility – SULA Flag, 150% limitation per RPASSUI or RLADLOR:	
YES _____ Program Length: _____ Period Used: _____ No SULA Flag: _____ Loan history before July 13	
Amount Approved: _____ Disbursement: Direct Deposit _____ Mail Check _____	
Loan originated by: _____ Loan origination Date: _____	
NOTES: _____	