

## Loan Counseling Information

**FEDERAL Direct Subsidized STAFFORD LOAN (Subsidized only)** - A Federal Stafford Subsidized LOAN is a fixed interest loan made to students enrolled in an eligible program who are attending school at least half-time. The subsidized loan is a need based program and the government pays the interest during in-school status, grace periods and authorized deferment periods. The government makes the loans to the students.

Student loan recipients must complete a master promissory note and submit it to the government at [www.dlenote.ed.gov](http://www.dlenote.ed.gov). Repayment begins six months after a student leaves school or drops below a half-time enrollment. Before the loan enters repayment, the lender will send the student a repayment schedule which outlines the total principal, amount of interest expected to accrue over the life of the loan, monthly payment amount and the date the payment is due. The maximum repayment is ten years. There is a minimum payment of \$50.00 per month, but may be higher, depending on the outstanding balance.

For example: Student borrows \$3,000 the first year \$4,500 the second year \$7,500 total.

This student will pay approximately \$85.00 per month for 120 months on a regular ten-year repayment plan. Income-sensitive graduated or extended repayment plans are repayment options offered by the DOE. If the student does not receive a repayment schedule, he or she is still responsible for repaying the loan. It is the student's responsibility to provide the government with a current address and phone number. It is important that students stay in contact with the department of education (DOE). Repayment of the principal balance may be postponed through different types of deferments or a forbearance. Students should contact his or her lender/servicer for deferment and/or forbearance information. Student loans must be repaid. Failure to do so will result in severe consequences.

A dependent student can borrow combined subsidized and unsubsidized loans not to exceed the annual loan limits \$23,000. Loan limits for freshmen are \$3,500 per year, sophomores, \$4,500 per year. For loan purposes, a student's classification will be determined by the number of hours completed towards his or her selected degree or certificate at the time of initial certification. A student's classification will not be reevaluated until the beginning of the next academic year (fall through summer). A student who transfers in the middle of an academic year and has received his or her annual loan limit while at the transfer institution will not be eligible for a loan until the beginning of the next academic year. In accordance with federal regulations, PJC has the right to refuse to certify a loan or to certify for a reduced amount. If a student fails to repay their student loan, the student will be referred to the Federal Government for collection.

Federal regulations require that students interested in the loan program must complete the Free Application for Federal Student Aid ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)) and provide the Financial Aid Office any other requested documentation. In addition, borrowers must complete

entrance loan counseling and testing before receiving a loan each academic year. Exit loan counseling and testing are required before the student ceases at-least-half-time enrollment. Once the student completes counseling, confirmation is sent to the PJC Financial Aid Office.

Borrowers have a right to cancel all or a portion of the loan or loan disbursement and have their proceeds returned to the DOE. PJC will send a notice to the borrower no earlier than 30 days before and no later than 30 days after the school credits the student's account. The notice will include the method and date by which the borrower must notify the school that he or she wishes to cancel all or a portion of the loan or loan disbursement.

PJC does not participate in the Federal Unsubsidized Student Loan, Perkins Loan, National Direct Student Loan, Hinson-Hazlewood Loan Program, HEAL Loan Program, HELP Loan Program and the CAL Loan Program or Parent Plus.

**LOAN Entrance requirement instructions:**

Please complete loan entrance counseling each year at <https://www.dl.ed.gov>.

**LOAN Exit counseling information:**

Whether you are graduating, leaving school, or no longer enrolled at least half-time, you will soon be facing an important responsibility: repaying your student loans.

Repaying your student loans on time will be one of the smartest decisions you will ever make; it will help you establish a good credit history and put you on track to securing a sound financial future.

You'll be able to test your knowledge as you progress through the session. You'll need to answer each question correctly before you can continue.

Go to: <https://www/dl/ed/gov> and choose exit counseling.