

INSTRUCTIONS

NEW Direct Loan Borrowers

1. Loan Information (*must be typed and initialed*)
2. Include the Loan History printout from www.nslds.ed.gov
3. Include 2019-2020 Financial aid award letter from [Student Information Systems](#)
4. Complete the online Cash Course Real-Life Money Guide <http://www.cashcourse.org/> (“Budgeting basics” & “Paying back student loans” you need to answer at least 8 questions correctly on both posttest)
5. Fill out Rights and Responsibilities
6. Complete Master promissory note and entrance counseling on www.studentloans.gov
7. Bring your Government Issued ID and Social Security Card

*Federal regulations require that disbursements to first-time borrowers be delayed until the student has been in attendance for 30 days.

CONTINUING Direct Loan Borrowers

1. Loan Information (*must be typed and initialed*)
2. Include the Loan History printout from www.nslds.ed.gov
3. Include 2019-2020 Completed Entrance Counseling Page from www.studentloans.gov
4. Include 2019-2020 Financial aid award letter from [Student Information Systems](#)
5. Bring your Government Issued ID and Social Security Card

Loan Status

It may take up to **45 business days** to process a student loan. During peak periods, the processing time may take longer. The processing calendar **DOES NOT** begin until you have complied with all the requirements in the checklist.



Financial Aid
Student Loan Guide
2019-2020

Loan Philosophy

As low-cost public institutions with limited entrance requirements, we are concerned about our students and believe that it is critical that we establish a clear rationale for student loan eligibility at our institutions. We wish to be certain that when students transfer they have sufficient loan eligibility to complete their education, and that students who do not intend to go beyond the community college level will not be overly burdened by debt. If students need additional loans when they are receiving a fee waiver and grant assistance, they will almost certainly need to continue to borrow when they transfer. **For most community college students, loans in addition to other financial assistance are not recommended.**

- Loans are not recommended for first-time students so successful completion (or proof of such at another college) of at least one semester of college level class work is highly recommended
- Enrollment in a majority of degree applicable classes is also highly recommended
- Ask yourself if your current loan debt, when added to the loan you are requesting, leaves enough loan eligibility for you to finish your goals
- We reserve the right to deny your request based upon prior student loan default or bankruptcy

Borrower Eligibility

- Complete a 2019-20 Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov
- **Have received a 2019-2020 Award Letter or a letter stating you are ineligible for any need- based aid**
- Satisfy the general student financial aid eligibility requirements
- Be enrolled in a minimum of six (6) units. Extension Appeal students must be enrolled in six (6) financial aid approved units
- Comply with Entrance and Exit Loan Counseling requirements
- Maintain Satisfactory Academic Progress

Things You Should Know...

WHAT IS A DIRECT LOAN?

- Direct Loans are low interest loans to students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education rather than a bank or other financial institution.

ENTRANCE COUNSELING REQUIREMENT

- All borrowers must complete the Entrance Loan Counseling before submitting a loan request document. This will ensure that students understand their rights and responsibilities as a student loan borrower. Go to www.studentloans.gov and click on "Sign In" under "Manage My Direct Loan". The student will need his/her Federal Student Aid (FSA) ID and password to complete the Entrance Loan Counseling.

EXIT COUNSELING REQUIREMENT

- You will receive a notice about Exit Counseling from us when you graduate or drop below six (6) approved units or withdraw from classes. Most colleges require borrowers to do exit counseling once a year. The Direct Loan Servicing Center will send you information on your loan and when repayment begins.

NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)

- Persons that take out federal student loans should be aware that information about those loans will be transferred to the National Student Loan Data System (NSLDS). Certain government agencies, lenders, and approved private companies will have access to that student loan data.

SUBSIDIZED VS. UNSUBSIDIZED

- **Subsidized loans** are awarded on the basis of financial need. You won't be charged any interest until you graduate or drop below six units because the federal government subsidizes the interest during the time you are enrolled. Effective July 2012, the government no longer subsidizes the interest during the six-month grace period.
- **Unsubsidized loans** charge interest from the time the money is first disbursed until it is paid in full. The interest is capitalized when you enter repayment, meaning that you pay interest on any interest that has already accrued. One way to minimize how much interest accrues is to pay the interest as it accumulates. **If you still have several years until you receive your degree, this can become very expensive – NOT RECOMMENDED.**

ATTENTION NEW STUDENT LOAN BORROWERS

Effective July 1, 2013, subsidized Stafford loans will be limited to 150% of student's program. This means that if a student is pursuing a two-year program at a community college, eligibility for subsidized Stafford will be limited to three (3) years of subsidized Stafford loan.

Federal regulations require that disbursements to first-time borrowers be delayed until the student has been in attendance for 30 days.

DROPPING BELOW HALF TIME

If you drop prior to the scheduled fall semester disbursement, the disbursement will be cancelled and loan fund(s) will be returned promptly to the U.S. Department of Education. If you drop below half time after the scheduled fall disbursement and before the fall semester is completed, you will not be eligible for a spring semester disbursement of your loan. In both scenarios you may be eligible for a loan for the spring semester only, and a new loan request must be submitted. If you drop below half time prior to the scheduled spring semester disbursement the disbursement will be cancelled. **We are concerned and you should be concerned about accruing debt when your progress is limited.**

THE RIGHT TO REDUCE OR CANCEL THE STUDENT LOAN

You have the right to reduce or cancel your student loan. At the time of disbursement an email advising you of your right to cancel a loan will be sent to your LACCD email account. If you choose to exercise this right you must submit a written request to the Financial Aid Department within 30 days of the date that the email was sent to you.

LOAN ORIGINATION

LA Trade Tech College will transmit your loan information to the Direct Loan Origination Center. Approximately two weeks after your loan has been transmitted you will receive loan disclosure notice from the Direct Loan Origination Center. If you are a new borrower, you must complete and e-sign your Master Promissory Note (MPN). LA Trade Tech College will receive electronic notification of your accepted MPN.

FEDERAL LOAN BORROWING LIMITS

A student's financial need and annual loan limits determine how much a student may borrow. Most students will either be classified as **Grade Level One** (0-30 units completed) or **Grade Level Two** (over 30 units completed and student is enrolled in a program of more than one year). Students enrolled in preparatory coursework required for admittance into a program will be classified as **Grade Level 0**. **For most students, we will look not only at completed units, but at how long it will take to complete your program.** The total undergraduate aggregate loan limits are as follows:

	Dependent Undergrad Student	Independent Undergrad Student
Maximum Total Debt from Stafford Loans When You Graduate (aggregate loan limits)	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500—No more than \$23,000 of this amount may be in subsidized loans.

Important reminder: If you have several years remaining until you achieve your Bachelor's Degree, you should consider limiting borrowing so you retain loan eligibility. You should also know that Pell Grant eligibility is now capped at 12 full-time semesters.

Annual Loan Limits

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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Year	Dependent Undergraduate	Independent Undergraduate And Dep. Undergrad whose parent can't borrow PLUS	Graduate/ Professional Student
1 st	\$5,500 (maximum \$3,500 subsidized)	\$9,500 (maximum \$3,500 subsidized)	Up to \$20,500 each academic year (maximum \$8,500 subsidized)
2 nd	\$6,500 (maximum \$4,500 subsidized)	\$10,500 (maximum \$4,500 subsidized)	
3 rd and Beyond	\$7,500 (maximum \$5,500 subsidized)	\$12,500 (maximum \$5,500 subsidized)	

RIGHTS & RESPONSIBILITIES SUMMARY CHECKLIST – ENTRANCE COUNSELING

I understand that I have a right to the following (check all boxes as you read):

- Written information on my loan obligations and information on my rights and responsibilities as a borrower
- A grace period and an explanation of what this means
- A disclosure statement, received before I begin to repay my loan, that includes information about interest rates, fees, the balance I owe, and the number of payments
- Deferment of repayment or forbearance for certain defined periods, if I qualify and if I request deferment or forbearance
- Prepayment of my loan in whole or in part anytime without an early-repayment penalty
- A copy of my MPN either before or at the time my loan is disbursed
- Documentation that my loan is paid in full

I understand I am responsible for:

- Completing exit counseling before I leave school or drop below half-time enrollment
- Repaying my loan even if I do not complete my academic program, I am dissatisfied with the education I received, or I am unable to find employment after I graduate
- Notifying my school and the Direct Loan Servicing Center if I:
 - o Move or change my address;
 - o Change my name;
 - o Withdraw from school or drop below half-time enrollment;
 - o Transfer to another school;
 - o Fail to enroll or reenroll in school for the period for which the loan was intended;
 - o Change my expected graduation date; or
 - o Graduate
- Making monthly payments on my loan after my grace period ends, unless I have a deferment or forbearance and repayment options will be provided during exit counseling
- Notifying the Direct Loan Servicing Center of anything that might alter my eligibility for an existing deferment or forbearance

I have received entrance counseling materials for Direct Subsidized and Direct Unsubsidized Loan borrowers. I have read and I understand my rights and responsibilities as a borrower. I understand that I have a loan from the federal government that must be repaid.

Student's Name (Please Print)

Student's Social Security Number

Student's Signature

Date

2019-2020 DIRECT LOAN INFORMATION

Social Security Number

Student Id Number

Last Name	First Name	Birthdate (mm/dd/yyyy)
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Address	City	State	Zip Code
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Cell Phone	Alternative Phone	School Email Address
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Only borrow what you need (we strongly encourage you to borrow less than the annual limit). You should consider your expenses and your income (including financial aid) to determine this amount. Please review the **“Entrance Counseling Guide for Direct Loan Borrowers”** to get a better idea of how much you will have to repay.

Have you ever received a loan from Los Angeles Trade Tech College? YES NO

How much do you need to borrow? (You must enter an amount)

Sub _____	+Unsub _____	=Total _____
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By initiating I certify that I read and understand that

_____ This is a loan and must be repaid with accrued interest.

_____ This loan is to be used for educationally related expenses.

_____ I have included the 2019-2020 Completed Entrance Counseling page from www.studentloans.gov in my loan packet.

_____ I must immediately notify the holder of my loan if my status changes and that failure on my part to adhere to the terms and conditions of my loan may result in default and may affect my rights as a student loan borrower.

_____ My loan(s) will be originated for the loan period that I may be eligible for and that the loan(s) may be prorated if my educational goal at Los Angeles Trade Technical College will be completed in less than a full academic year.

_____ I must be enrolled in at least six (6) approved units for my loan request to be certified. This means that if I had to appeal for an extension for Financial Aid and if my petition has been approved, only the lessons listed on my Student Educational Plan may be counted in the approved units.

_____ My loan will be cancelled if my enrollment is less than six (6) approved units at the time of my loan disbursement.

_____ I have visited the National Student Loan Data System at www.nslds.ed.gov. I have attached a printout of my past loan activity and I am aware of my student loan balance.

Borrower Request and Certification:

The information contained on this loan request is true and correct to the best of my knowledge. I understand that I am requesting a loan that **MUST BE REPAYED**. This includes principal, accrued interest and any fees. I've read and understand the documents and eligibility requirements for this loan. I understand that Los Angeles Trade Technical College will not certify my loan if my documentation is incomplete or I fail to meet all of the eligibility requirements.

Signature

Date

FOR OFFICE USE ONLY

<input type="checkbox"/> Financial aid file is completed <input type="checkbox"/> Meet SAP <input type="checkbox"/> Government Issued ID and Social Security Card <input type="checkbox"/> Cash Course <input type="checkbox"/> Minimum 6 FA Units <input type="checkbox"/> New Borrower Taken in by: <input style="width: 100%;" type="text"/>	<input type="checkbox"/> Master Promissory Note <input type="checkbox"/> Ed Goal Matches Major <input type="checkbox"/> Loan History Print Out <input type="checkbox"/> Continuing Borrower	Processed by: <input style="width: 100%;" type="text"/> Processed Date: <input style="width: 100%;" type="text"/> Entrance Counseling Date: <input style="width: 100%;" type="text"/>
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