



# 2017-2018 Federal Direct Student Loan Authorization Form

Student Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Student Cell \_\_\_\_\_ Personal Email \_\_\_\_\_

**Check the box of the appropriate loan type you wish to borrow from**  
(Refer to your Award Letter for your maximum eligibility):

Subsidized

Unsubsidized

\$ \_\_\_\_\_ Total Subsidized/Unsubsidized amount requested for year (You must provide a dollar amount.)

### Important Student Loan Information:

New borrowers **must** complete a Loan Agreement (Master Promissory Note) and Entrance Counseling. This must be done before any loans funds will be disbursed to the university. You will need the following information:

1. Your FSA ID which has replaced the Federal Student aid PIN. If you need to create a FSA ID, please go to <https://fsaid.ed.gov>.
2. Complete mailing addresses and phone numbers for two references.

**Please complete these forms at <https://studentloans.gov>. For assistance with the website call 800-557-7394.**

### Additional Student Loan Information:

The following chart provides maximum annual and total loan limits for Subsidized and Unsubsidized Loans:

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First- Year Undergraduate	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans
Second-Year Undergraduate	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.
Third-Year and beyond Undergraduate	\$7,500 per year—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500 per year—No more than \$5,500 of this amount may be in subsidized loans.
Maximum Total Debt for Sub and Unsub	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500 for undergraduates—No more than \$23,000 of this amount may be in subsidized loans.

Visit NSLDS at <https://nslds.ed.gov> for your personal loan history.

### Your Rights and Responsibilities (check as you read):

1. \_\_\_\_\_ In order to be eligible for Direct Loans, I understand I must be attending a minimum of six credit hours for each semester.
2. \_\_\_\_\_ To comply with federal regulations, all Federal Direct Loan funds will be disbursed in two equal disbursements, the second disbursement occurring no sooner than the midpoint of the loan period. New borrowers may have a 30 day disbursement delay.
3. \_\_\_\_\_ I understand that if this is the first loan I am borrowing at William Penn University, I have completed or will complete Entrance Counseling. If I fail to do so, my loan will not be processed.
4. \_\_\_\_\_ I understand I have completed or will complete a Loan Agreement (Direct Loan Master Promissory Note). If I fail to do so, my loan will not be processed. I understand that I may receive one or more loans under this MPN and must repay such loans.
5. \_\_\_\_\_ I understand that I have 14 days from the date of notification that the loan has been disbursed to request, in writing, to cancel all or part of the loan. The university may grant requests past the 14 days.

*By signing below you authorize William Penn University to process William D. Ford Federal Direct Loans in your name.*

Student Signature \_\_\_\_\_ Date: \_\_\_\_\_

#### FOR OFFICE USE ONLY

1. Grade Level: \_\_\_\_\_ Accumulated Credit Hours: \_\_\_\_\_
2. Enrollment Status:  Full-time  Other: \_\_\_\_\_
3. Loan Period From: \_\_\_\_\_ To: \_\_\_\_\_
4. 1st Disb.: \_\_\_\_\_ 2nd Disb.: \_\_\_\_\_
5. Certified Loan Amount: Sub \$ \_\_\_\_\_ Unsub \$ \_\_\_\_\_
6. Certified By: \_\_\_\_\_ 7. Date: \_\_\_\_\_

## **Important Terms to Know and Understand:**

*Loan Agreement (Master Promissory Note):* The standard promissory note for Federal Direct Loans, referred to as an MPN. The Federal Direct Loan Master Promissory Note may be completed online at <https://studentloans.gov>.

*Borrower:* The borrower for Federal Direct Loans is the student.

*Lender:* The lender for Federal Direct Loans is the U.S. Department of Education. The lender for private student loans is a bank, credit union or savings bank.

*Servicer:* Lenders will often work with another organization to service student loans or may sell the loan to a servicer. The servicer may disburse the loan, collect the loan in repayment, provide interest billing to the borrower, and provide deferment forms. There are several different servicers performing these duties on behalf of the federal government in the Federal Direct Loan program.

*Interest:* Interest is the charge you will pay for the privilege of borrowing student loans. Federal Direct Subsidized and Unsubsidized Loan interest rates are set annually by the federal government. At the time of publication, the interest rate for Subsidized and Unsubsidized Loans is fixed at 3.76%.

*Subsidized Loan:* The federal government pays the interest on Subsidized Loans while the student is enrolled at least halftime. Interest accrual begins when the student graduates, withdraws, or drops below half-time status.

*Unsubsidized Loan:* Unsubsidized Loans begin accruing interest at disbursement. The borrower may make interest payments or allow interest to accrue during the in-school period. Unpaid interest will capitalize at repayment.

*Grace:* The six-month grace period begins when the borrower ceases enrollment on at least a half-time basis. Federal Direct Subsidized borrowers will begin to accrue interest charges during the grace period. Full interest and principal repayment begins at the end of the six-month grace period.

*Origination Fee:* An origination fee is charged by the U.S. Department of Education for Direct Loans. The origination fee is deducted from the loan proceeds delivered to William Penn University. Loan origination fees are set by the federal government and were 1.069% for Direct Student Loans at the time of publication.

*Disbursement:* Funds will be received by electronic funds transfer for the loan disbursement to the school. Disbursements are scheduled for distribution on the basis of the loan period.

*Entrance Counseling:* All first-time Federal Direct Loan borrowers are required to complete Entrance Counseling. Loan funds will not be credited to the student account until Entrance Counseling has been completed. This requirement may be met online at <https://studentloans.gov>.

*Delinquent:* A loan is delinquent when loan payments are not received by the due dates. A loan remains delinquent until the borrower makes up the missed payment(s) through payment, deferment, or forbearance. If the borrower is unable to make payments, he or she should contact his or her loan servicer to discuss options to keep the loan in good standing.

## **Interest Charges and Repayment Information for Federal Direct Loans:**

Approximate Monthly Interest Charge

Amount	3.4%	4.5 %	5.0%	5.6%	6.0%	6.8%
<b>\$3,500</b>	\$12	\$13	\$14	\$16	\$18	\$20
<b>\$4,500</b>	\$15	\$17	\$19	\$21	\$23	\$26
<b>\$5,500</b>	\$18	\$21	\$23	\$26	\$28	\$31
<b>\$7,000</b>	\$23	\$26	\$29	\$33	\$35	\$40
<b>\$8,500</b>	\$28	\$32	\$36	\$40	\$43	\$48
<b>\$15,000</b>	\$50	\$56	\$60	\$70	\$75	\$85
<b>\$20,000</b>	\$67	\$75	\$82	\$93	\$100	\$113
<b>\$23,000</b>	\$77	\$86	\$95	\$107	\$115	\$130
<b>\$25,500</b>	\$85	\$96	\$107	\$119	\$128	\$145

Estimated Monthly Payments (10-Year Term)

Amount	3.4%	4.5 %	5.0%	5.6%	6.0%	6.8%
<b>\$3,500</b>	\$50	\$50	\$50	\$50	\$50	\$50
<b>\$4,500</b>	\$50	\$50	\$50	\$50	\$50	\$52
<b>\$5,500</b>	\$56	\$57	\$58	\$60	\$61	\$63
<b>\$7,000</b>	\$71	\$73	\$74	\$76	\$78	\$81
<b>\$8,500</b>	\$86	\$88	\$90	\$93	\$94	\$98
<b>\$15,000</b>	\$152	\$155	\$159	\$164	\$167	\$173
<b>\$20,000</b>	\$202	\$207	\$212	\$218	\$222	\$230
<b>\$23,000</b>	\$233	\$238	\$244	\$251	\$255	\$265
<b>\$25,500</b>	\$258	\$264	\$270	\$278	\$283	\$293

The interest rate for Subsidized Loans and Unsubsidized Loans is 3.76% fixed (at the time of this publication). The minimum monthly payment amount is \$50 under the 10-year Standard Repayment Plan, but may be more depending on how much you borrow. The average Direct Loan debt for a William Penn University graduates who started as a first time freshman with WPU is \$32,602 for a Bachelor's Degree, \$22,210 for an Associate's Degree, and \$20,152 for a Master's Degree. The charts above provide estimated monthly interest charges and estimated monthly payment amounts based on levels of Federal Direct Loan indebtedness at a 6.8% fixed interest rate.