

## **Mt. San Jacinto College Federal Direct Loan Information Guide**

Are you planning on requesting a student loan at Mt. San Jacinto College during the 2023-2024 Academic Year? If so, this guide is designed to assist you in understanding the Federal Direct (Subsidized and Unsubsidized) Loan Program, as well as the loan request process at Mt. San Jacinto College.

These loans, which are part of the Federal Direct Loan Program, assist students with their educational expenses by borrowing directly from the U.S. Department of Education. We want to make sure you understand that all student loans **must be repaid**, with interest, and should only be requested after you have exhausted all other resources of financial assistance (grants, student employment, etc...). **This is not a grant and does have to be paid back.**

### **Steps to Apply:**

To apply for a Federal Direct Loan at Mt San Jacinto College, make sure to complete **ALL** the following requirements **PRIOR** to turning in your Federal Direct Loan Request Form. Direct Loans must be applied for through the Mt. San Jacinto College Financial Aid Office in order to be originated with the Department of Education. **Failure to meet ALL the following requirements will delay any loan processes and disbursements, if determined eligible.**

- Completed your FAFSA and list Mt. San Jacinto College school code, 001246.
- Submit all your 2023-2024 missing documents with Mt. San Jacinto College. Required documents are listed on the Financial Aid Self-Service Portal at: <https://cssweb.msjc.edu/css/>.
- You have received your final award notification of financial assistance for the 2023-2024 academic year from Mt. San Jacinto College. This arrives via your MSJC student e-mail, and you can review your Offer Letter on Self Service.
- Currently enrolled in an eligible Program of Study and a current Student Educational Plan (SEP) is **on file** with the program information.
- You are enrolled in at least 6-degree applicable units (*Although you may be registered, you must be in attendance and your classes must have already started*).
- You are meeting the Satisfactory Academic Progress (SAP) Standards. Our SAP standard may be viewed on our website under [SAP Policy](#).
- You cannot be in default or owe an overpayment to any financial assistance program.
- You have completed and passed the Entrance Counseling, listing Mt. San Jacinto College online at <https://studentaid.gov/> prior to applying for your loan. Additional information is available in this guide.
- You have completed your Master Promissory Note (MPN), listing Mt. San Jacinto College online at <https://studentaid.gov/mpn/> prior to applying for your loan. Failure to complete your MPN will result in your loan not being processed.

Once you have met **ALL** the above requirements, you can complete and submit your Federal Direct Loan Request Form on [StudentForms](#). The Federal Direct Loan Request Form along with instructions on how to submit, are provided in this guide. Failure to meet any of the above requirements will delay the processing of your loan funds.

## What is Entrance & Exit Counseling and when do I take them?

Mt. San Jacinto College requires that all students who are applying for the first-time complete Entrance Counseling **prior** to submitting the Federal Direct Loan Request Form. The Exit Counseling is taken **after** leaving Mt. San Jacinto College or falling below half-time enrollment (6 units), except for summer break.

### Entrance Counseling:

- All first-time college students borrowing a Federal Direct Loan are to complete and pass the online [Entrance Counseling](#). Log in with your verified FSA ID by choosing the “LOG IN” icon on the home page.
- You will need your FSA ID to sign in and complete Entrance Counseling. If you have misplaced or forgotten your FSA ID, you can create a new one by going online at <https://studentaid.gov/fsa-id/create-account/launch>.
- Once you log in, choose the “Complete Loan Counseling” option. Make sure to complete Entrance Counseling for the “Undergraduate Student” and choose Mt. San Jacinto College as your school choice. It may take 1 week for the Financial Aid Office to receive your results.

### Exit Counseling:

- The Mt. San Jacinto College Default Management Plan requires all borrowers complete the Federal Direct Loan [Exit Counseling](#) online after leaving Mt. San Jacinto College or falling below half-time enrollment (6 units), with the exception of summer break.
- Log in with your verified FSA ID by choosing the “LOG IN” icon on the home page. You will also need your FSA ID to sign in and complete the Exit Counseling.

## How do I sign my Master Promissory Note (MPN)?

**All students requesting a loan from Mt. San Jacinto College must complete a Master Promissory Note** prior to submitting your Federal Direct Loan Request Form. This applies to not only first-time Direct Loan borrowers but also students who have previously borrowed a Direct Loan but are a new student at Mt. San Jacinto College. You **MUST** sign your MPN online at <https://studentaid.gov/mpn/>. Failure to sign your MPN **will** delay your loan origination and disbursement.

To sign your MPN online, complete the following:

- Log in to <https://studentaid.gov/mpn/> with your verified FSA ID by choosing the “LOG IN” icon on the home page.
- Once you log in Select “Complete Loan Agreement (Master Promissory Note)”.
- Choose the Subsidized/Unsubsidized option.
- Make sure to choose Mt. San Jacinto College under the school section.
- For assistance, you may call the Student Loan Support Center at **1-800-557-7394**.

## Repayment Terms

**Federal Direct Subsidized Loan:** Repayment of Direct Subsidized Loans begins six months after you graduate, leave school, or drop below half-time attendance. The federal government pays the interest subsidy on your behalf while you are in school at least half-time prior to entering repayment, and during periods of deferment of subsidized loans. The minimum monthly payment is \$50.

**Federal Direct Unsubsidized Loan:** Repayment of the interest on Direct Unsubsidized Loans begins immediately. You, as the borrower, are responsible for paying all the interest that accrues on your unsubsidized loans during the times you are enrolled in school, during your six-month grace period and during any period of deferment or repayment. You can choose to either pay the interest during those periods or defer the payment of the interest. If you choose to defer payment of the interest, the Department of Education will add any unpaid interest to your principal balance, a process called “capitalization”. When interest is capitalized, your principal balance will increase by the amount of any unpaid interest. Repayment of the principal and interest begins six months after you graduate, leave school, or drop below half-time attendance. The minimum monthly payment is \$50.

## What are the interest rates on loans borrowed after 7-1-2023?

- Effective July 1, 2023 thru June 30, 2024, the interest rates are fixed at 5.50% for Federal Direct Subsidized and 5.50% for Federal Direct Unsubsidized Loans. The current interest rates/fees can also be found online at: <https://studentaid.gov/understand-aid/types/loans/interest-rates>.

## What fees are included in Direct Loans?

- For loans disbursed on/after 10/1/2022 and before 10/1/2023, a 1.057% origination fee will be deducted from the gross amount of the loan **prior** to disbursement. This fee helps to reduce the cost of making these low-interest loans.
- For loans disbursed on/after 10/1/2023 and before 10/1/2024, a 1.057% origination fee will be deducted from the gross amount of the loan **prior** to disbursement. This fee helps to reduce the cost of making these low-interest loans.

## How much can I borrow this Academic Year?

Maximum **Federal Direct Subsidized Loan** amount students can borrow for the academic year:

Freshman: 1 <sup>st</sup> year (completed 0-29 units)	\$3,500.00
Sophomore: 2 <sup>nd</sup> year (completed 30 units or more)	\$4,500.00

Maximum additional **Federal Direct Unsubsidized Loan** amount (interest accrues while in school) students can borrow for the academic year:

Dependent student	\$2,000.00
Independent student	\$6,000.00

- **Please note, Mt. San Jacinto College does not recommend the Federal Direct Unsubsidized Loan to all students, unless they are in a high-cost program and have a need to pay additional educational expenses.**
- Your Federal Direct Loan will be originated for the amount you are eligible for at the time of processing. Mt. San Jacinto College has the right to deny a loan request. You will be notified via email to your MSJC student email account should your loan request be denied.
- Along with your annual loan limits listed above, Federal Direct Loans also have a lifetime or “aggregate” borrowing limit of \$57,500 (no more than \$23,000 of this amount may be in Direct Subsidized Loans) for undergraduate students. These amounts limit how much you can borrow while attending school at the undergraduate level.

## What happens after I submit my Federal Direct Loan Request Form?

Once your loan request has been submitted on [StudentForms](#), it will be reviewed by the Loan Coordinator. Please allow 5-10 business days for the Loan Coordinator to review and award your account accordingly.

- If your loan request is accepted and processed, you will receive a notification email from the Financial Aid Office along with a revised Offer Letter detailing the amount that was approved.
- If your loan request is rejected, you will receive a notification email from [StudentForms](#) explaining the reason for the rejection or what is needed to complete your application.
- Mt. San Jacinto College will originate your loan with the Department of Education and your loan will be linked with your Master Promissory Note (MPN). Failure to complete your MPN or Entrance Counseling will cause your loan process to stop at this point and your loan will not be disbursed.
- Once your loan is originated by the Department of Education, you will receive a loan disclosure statement with your loan terms and responsibilities along with information regarding disbursement dates.

## Federal Direct Loan Request Deadlines

These deadline dates pertain to submitting a **completed** Federal Direct Loan Request Form in which you are enrolled. Failure to meet any of the requirements listed on the first page of this guide will cause your Federal Direct Loan Request Form to be considered incomplete.

Term(s) Enrolled	Loan Request Deadline
Fall 2023 only	12/1/2023
Spring 2024 only	4/26/2024
Fall 2023 & Spring 2024	4/26/2024

Once your loan request has been approved you will receive a revised Offer Letter indicating the amount of loan you have been awarded for the 2023-2024 academic year. You will also receive a loan disclosure statement (sent to you from the Department of Education) to view loan amounts (including fees and net disbursement) along with the dates in which the school will be requesting the loan funds. The dates in which the school requests the loan funds from the Department of Education are referred to as disbursement dates on the disclosure statements.

## 2023-2024 Disbursement Information

Federal Direct Loans will be disbursed via BankMobile Disbursements, a technology solution, powered by BMTX, Inc. within two weeks of the disbursement dates listed in your disclosure statement.

**Note: All first-time loan borrowers have a 30-day delay of their first disbursement based after the first day of your enrollment period.**

Students will need to use their personal code to choose a disbursement method via the [www.refundselection.com](http://www.refundselection.com) website. Failure to select a refund preference may cause further delays in receiving any eligible disbursement. It is also important that your mailing address is current to avoid additional delays in receiving your financial aid funds, if eligible.

- The number of disbursement(s) you receive is based on your application and grad/transfer date. Generally, there are 2 disbursements, 1 disbursement in the fall and 1 disbursement in the spring.
- If at the time of your disbursement; you are not meeting the Mt. San Jacinto College Satisfactory Academic Progress Standards (SAP), you owe funds to Mt. San Jacinto College or the Department of Education, or you are not enrolled in 6-degree applicable units, your loan funds will be returned to the Department of Education and the 2<sup>nd</sup> half of your loan **will be** cancelled.

## What happens if I drop all my class(s) or do not successfully complete the semester for which I receive Direct Loan(s)?

- Any student who withdraws from all their classes, is dropped by all their instructors, or receives all F grades for the Fall and/or Spring semester may be subject to immediate repayment of the direct loan funds received based on Return to Title IV (R2T4) regulations.
- If you fall below half time (6 units), your grace period for your direct loan will begin as of the date of your withdrawal. You must contact the Direct Loan servicing center at the time of withdrawal to update your enrollment status at **1-800-848-0979**.

## How would I cancel my Direct Loan(s) if I decide I no longer wish to borrow?

- If no loan funds have been disbursed, you will need to contact the Loan Coordinator to cancel all or part of your loan.
- If loan funds have been disbursed, you will need to contact your loan servicer for guidance on how to cancel your loans.

## Important Reminders

- Please make sure to meet all the requirements outlined on the checklist located on the first page of this guide before submitting this loan request. If the requirements are not met, the loan ***will not*** be disbursed.
- Review Financial Aid [Terms and Conditions](#) and [SAP Policy](#).
- Make sure your Mt. San Jacinto College student email account is activated and that you are checking it continually for updates to your financial aid status.
- Make sure that your address is current and always updated on Self Service.
- Make sure you have chosen your Refund Preference with BankMobile Disbursements, a technology solution, powered by BMTX, Inc. Please visit this link for more information: <https://bankmobiledisbursements.com/refundchoices/>.
- Make sure to complete the Master Promissory Note (MPN) as explained in this guide. ***Failure to complete your MPN will delay your loan disbursement and could lead to cancellation of your loan.***
- If you fall below half-time (6 units) and/or withdraw from your classes, it is important that you notify the Student Loan Support Center about your change of enrollment within 10 days of the change. You can contact them at **1-800-848-0979**.
- Make sure to complete your Exit Counseling after leaving Mt. San Jacinto College or when you fall below half-time enrollment (6 units), excluding summer break.
- If at any time during your repayment of your student loan you have difficulty making your payment, please contact the Student Loan Support Center. There are a variety of options available to students to defer or reduce student loan payments. These options will allow you to remain in satisfactory repayment status on your student loan and will help you avoid default. The consequences of defaulting on your student loan include inability to receive financial aid from any college, garnishment of wages and federal/state income tax returns, and the debt is reported to all credit bureaus, which will affect your credit rating, etc.... **DO NOT DEFAULT. REPAY ALL LOANS.**

## Additional Repayment Information and Resources

**Federal Student Aid (FSA):** FSA is a part of the Department of Education and is responsible for the management of Title IV financial aid programs, such as federal grants, work-study, and loans. Please visit their website at <https://studentaid.gov/h/manage-loans> for more details about different repayment plans, how to make a payment, and what to do if you have trouble making payments.

**ECMC Solutions:** ECMC is a nonprofit organization that provides FREE student loan counseling services to current and previous student loan borrowers. Services range from discovering best practices to manage your loans to guidance if you fall behind on payments or are nearing default. Please visit their website at <https://www.ecmc-solutions.org/> for more information.

## 2023-2024 Federal Direct Loan Request Form Instructions

- Log into [StudentForms](#) with your MSJC username and password.
- Click “Manage Requests” and select the add button to request access to the Federal Direct Loan Request Form.
- Submit completed Federal Direct Loan Request Form on [StudentForms](#).
- Please allow 5-10 business days for your request to be processed.
- Once your Federal Direct Loan Request Form has been accepted and processed, you will receive a notification email from the Financial Aid Office along with a revised Offer Letter detailing the amount that was approved.
- If your Federal Direct Loan Request Form is rejected, you will receive a notification email from [StudentForms](#) explaining the reason for the rejection or what is needed to complete your application.