First Time Borrowers

1. **What is a subsidized Stafford loan?**
   - A subsidized Stafford loan is a federally funded loan that is awarded based on a student’s financial need. The federal government “pays” the interest in this loan while you are in school or in deferment.

2. **What is an unsubsidized Stafford loan?**
   - An unsubsidized Stafford loan is a federally funded loan that is not awarded based on a student’s financial need. You are responsible for paying the interest. You may pay it while in school or after graduation.

3. **Is there a fee for a Stafford loan?**
   - Yes, there is a 1.71% fee that is deducted from each disbursement.

4. **What do I have to do to get my loan funds?**
   - All borrowers, new or continuing, must complete the following steps to receive a Federal Stafford loan:
     - Complete the Free Application for Federal Student Aid (FAFSA) for the appropriate academic year and supply any requested documentation if needed.
     - Complete a WGTC Loan Request Form and submit to your local campus.
     - Complete the Direct Loan Master Promissory Note (MPN) and Entrance Counseling at https://studentloans.gov/myDirectLoan/index.action.

5. **What is the interest rate?**
   - Effective July 1, 2013 the interest rates are:
     - Subsidized Stafford Loan – 3.86% undergraduate
     - Unsubsidized Stafford Loan – 5.41% undergraduate

6. **How much can I borrow?**
   - Eligibility for the Federal Stafford Loan Program is determined by the Financial Aid Office. The loan amount is based upon the student’s remaining eligibility determined by the college’s cost of attendance and all financial aid received.
   - **Maximum Award Amount:**
     - $5,500 for dependent freshman students (maximum $3,500 may be subsidized)
     - $9,500 for independent freshman students (maximum $3,500 may be subsidized)
     - $6,500 for dependent sophomore students (maximum $4,500 may be subsidized)
     - $10,500 for independent sophomore students (maximum $4,500 may be subsidized)

7. **Do I need to be enrolled in a specific number of credit hours to qualify for a loan?**
   - Yes, you must be enrolled in and remain in at least 6 or more credit hours within your major to qualify for a student loan.

8. **What programs are eligible for Stafford Loans?**
   - Developmental status students are ineligible for loan funds. All diploma and degree programs are Title IV eligible. The only eligible certificate programs are:
     - *Medical Language Specialist*
     - *Technical Specialist*
     - *Help Desk Specialist*
     - *CAD Operator*
     - *Tomography Specialist*
     - *Healthcare Science*
     - *Healthcare Assistant*
     - *Esthetician*
     - *Internet Specialist Web Site Developer*

9. **How long does it take to process my request?**
   - It takes a minimum of 3 weeks and maximum of 6 weeks for Financial Aid to process your loan application and transmit the information to the Department of Education. **Please allow additional time for loan requests to be processed during peak times.**

10. **What happens if I fall below half time?**
    - When you graduate, drop below half time, or withdraw from your academic program, you will receive a six-month grace period for your Direct Subsidized and Unsubsidized Loans. Your grace period begins the day after you stop attending school on at least a half-time basis. Once your grace period ends, you must begin repaying your loan(s). **You must also complete exit counseling online at http://www.nslds.ed.gov/nslds_SA/.**

11. **I am a first time borrower; does that affect my loan award?**
    - Yes, first time borrowers have a 30 day delay from the first day of school. These dates are available on your disclosure statement.

12. **I am transferring at the end of this semester to another institution but I already have loans in place for the upcoming semester. Will that loan transfer to my new school?**
    - No, financial aid does not transfer from one institution to another. You must reapply for aid at your new school. You must also request that your current school cancel your loan for the remainder of the school year. The new school will not be able to certify a loan for you if you have pending disbursements at your current school.

13. **When is my money disbursed?**
14. What can my loan money be used for?
   - Any expense incurred as it relates to education. This can include, but is not limited to, tuition, fees, books, supplies, transportation, living expenses, etc; however educational expenses are the primary purpose. If the amount you have requested is more than what you are eligible for, no additional loan funds will awarded to you.

15. How can I check the status of my loan?
   - It is unnecessary to check the status of your loan as it is a paper based process, as long as your entrance counseling, MPN, and your financial aid file is complete nothing else will be required of you. If additional information is needed you will be contacted.

Returning Borrowers

1. I have previously borrowed loans and am now in Default, am I eligible to receive loan funds?
   - No, you must set up satisfactory payment arrangement with your lender and satisfy their terms.

2. My loan has been processed but I need to change my loan, what do I do?
   - Visit your local student affairs office and complete a Loan Change Form. Loan changes take about 2 weeks for processing. Please be aware that additional changes will take additional time. If your award is less than what you have requested, you are not eligible for additional loan funds.

3. What happens if I cannot pay my loan(s) back?
   - If you're having trouble making payments on your loans, contact your loan servicer as soon as possible. Their staff will work with you to determine the best option for you.

4. What do I need to do to get an in-school deferment form sent to my lender?
   - The Registrar’s Office automatically notifies the National Clearinghouse 3 times each semester of a student’s enrollment. The first notification will be sent approximately two weeks after the semester starts. You should also check with your lender to ensure that your record has been updated.

5. What happens if I do not pay my loan back?
   - You will go into default. Consequences of default include:
     - The Department of Education will require you to immediately repay the entire unpaid amount of your loan.
     - The Department of Education may sue you, take all or part of your federal and state tax refunds and other federal or state payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
     - The Department of Education will require you to pay reasonable collection fees and costs, plus court costs and attorney fees.
     - The Department of Education may be denied a professional license.
     - You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
     - You will lose eligibility for loan deferments.
     - The Department of Education will report your default to national consumer reporting agencies (credit bureaus).

6. My loan is for 3 semesters but I am graduating, what should I do?
   - If you are graduating and only need a loan for your final semester of enrollment, your award must be prorated based on your final enrollment. Please visit your local Student Affairs office and complete a Loan Change Form if you are graduating Fall but have been awarded Fall/Spring or if you are graduating Spring and have been awarded Spring/Summer. You must also complete exit counseling online at http://www.nslds.ed.gov/nslds_SA/.

7. When do I have to pay back my loan?
   - Repayment will start six months after you graduate, leave school or drop below half time enrollment.

8. Where can I find information on who services my federal loans?
   - Information on all of your federal loan debt, FFEL & DL, can be accessed via National Student Loan Data System (NSLDS) at http://www.nslds.ed.gov.

9. How do I contact the Direct Loan Program?
   - The U.S. Department of Education Direct Loan Program Customer Service phone number is 1-800-848-0979.

If you have any additional questions, please contact your local Financial Aid Specialist or email us at financialaid@westgatech.edu.