

## WHAT HAPPENS AFTER I'VE SUBMITTED MY LOAN REQUEST?

Your request will be processed after we determine that:

1. You have filed a FAFSA for the current school year;
2. The information you provided on your FAFSA is correct;
3. You have registered for at least 6 credits or the equivalent.

The Bursar will be notified about your request-in-progress within 3-5 business days. Be sure to mention that you have submitted a direct loan request when settling your bill. Be prepared to show the Bursar your e-mail confirmation.

Once your request has been submitted to the Dept. of Education, you will be sent a Loan Disclosure Statement in the mail that summarizes information about the type of loan, the approved loan amount and anticipated dates of disbursement.

## WHEN AND HOW DO I GET THE MONEY?

Your loan disbursement date depends on when your e-MPN is returned and acknowledged by the processor and when this information links up with a scheduled CUNY financial aid payment cycle. In most cases, your actual disbursement date should coincide with the anticipated disbursement dates printed on your Loan Disclosure Statement.

Before crediting any loan funds toward your tuition or releasing any funds to you, the college will verify that you are enrolled on at least a half-time basis.

The Bursar's Office will notify you by email when your loan will be disbursed. You will receive your loan monies by check or by direct deposit to your bank account.

## DO I GET THE MONEY ALL AT ONCE?

No. The money is disbursed in at least two installments. For loans covering the full academic year (Fall & Spring) each disbursement occurs about 30 days after the start of each semester. For loans covering one semester only, the second disbursement will occur midway through the semester.

## IF I OWE TUITION, WILL MY DIRECT LOAN FUNDS BE USED TO PAY THE OUTSTANDING BALANCE?

Yes. The Bursar will make necessary deductions from the loan amount to cover any remaining tuition and fee charges before disbursing any monies to you.

## WHEN DO I BEGIN TO REPAY MY LOAN?

You have a six month grace period after you graduate, leave school or drop below half-time status before you must begin repaying the principal amount of your loan. You can pre-pay any portion of your loan at any time without penalty.

## DO I HAVE TO SIGN A NEW MASTER PROMISSORY NOTE EACH YEAR?

No. Once you have become a borrower in the Direct Loan program, you will not be required to sign a new e-MPN to borrow again. The note already on file will be used for subsequent loan borrowing. Note: if you wish to do so, you may sign a new note each year, but it is not necessary for you to do so.

## HOW CAN I KEEP TRACK OF MY LOAN BORROWING HISTORY?

You can access information regarding your borrowing history at the National Direct Student Loan Data System (NSLDS) website located at <http://www.nsls.ed.gov>. To access your information you must use your Federal PIN sent to you by the Department of Education.



## INFORMATION GUIDE

## WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

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## WHAT IS THE WILLIAM D. FORD DIRECT LOAN PROGRAM?

This program provides low interest, long term loans to you or your parents to help you pay for college. The U.S. Department of Education is your lender, not a bank. The college determines your eligibility, calculates the loan amount and disburses the money. Once the loan is made, it is managed and collected by the U.S. Department of Education.

## WHAT ARE THE THREE TYPES OF FEDERAL DIRECT LOANS?

### Subsidized Direct Loans:

- Eligibility is based on financial need as determined from the information you provide on your FAFSA.
- No interest is charged while you are attending school at least half-time and for 6 months after you graduate or otherwise leave school.

### Unsubsidized Direct Loans:

- Allows you to borrow money in addition to any amount you are eligible for with a subsidized loan.
- Financial need is not a factor in determining eligibility as long as the requested loan amount doesn't exceed your cost of attendance.
- The federal government charges you interest from the time the loan is disbursed until you pay the loan in full.

### Direct PLUS Loan:

- Allows your parents (if you are a dependent student) to borrow up to your cost of attendance minus any other financial aid you may be receiving.
- The federal government charges your parents interest from the date the first disbursement is made until the loan is paid in full.

## HOW MUCH MAY I BORROW?

You are subject to annual and aggregate (combined total) loan limits as shown in these charts:

| Dependent Students              | Base Amount<br>(may be subsidized or unsubsidized) | Additional Unsubsidized Amount | Total Sub & Unsub |
|---------------------------------|--|--------------------------------|-------------------|
| Freshmen (0-27 credits)         | 3,500  | 2,000                          | 5,500             |
| Sophomores (28 or more credits) | 4,500  | 2,000                          | 6,500             |
| Undergraduate Aggregate Maximum | 23,000   | 8,000                          | 31,000            |

| Independent Students            | Base Amount<br>(may be subsidized or unsubsidized) | Additional Unsubsidized Amount | Total Sub & Unsub |
|---------------------------------|--|--------------------------------|-------------------|
| Freshmen (0-27 credits)         | 3,500  | 6,000                          | 9,500             |
| Sophomores (28 or more credits) | 4,500  | 6,000                          | 10,500            |
| Undergraduate Aggregate Maximum | 23,000   | 34,500                         | 57,500            |

## HOW MUCH MAY MY PARENTS BORROW?

Your parents may borrow up to the yearly cost of attendance at BMCC minus any estimated or actual financial aid you may be receiving. There are no annual or aggregate loan limits for PLUS loans.

## ARE THERE OTHER LIMITS ON THE AMOUNT I MAY BORROW?

Yes. You may not borrow more than the cost of attendance at BMCC minus your EFC and any other financial aid you may be receiving. If your period of enrollment is less than a full academic year, the amount of loan assistance you are entitled to may be less than the maximum amounts listed above.

## HOW DO I APPLY FOR A DIRECT LOAN?

1. Apply for Federal Student Aid at FAFSA on the Web: <http://www.fafsa.ed.gov> and wait until you receive your Student Aid Report. [via e-mail within 72 hours if you provided an e-mail address or by regular mail within 3 weeks if you do not use e-mail].
2. Complete Entrance Counseling at <http://www.dl.ed.gov> [required for students who have never borrowed a Direct Loan at BMCC]. Print out the results of the quiz and keep it with your records.
3. If you are a first time Direct Loan borrower at BMCC or you previously signed a Master Promissory Note (MPN) that did not result in a disbursement of Direct Loan funds within the last 12 months, you can sign the Electronic Master Promissory Note (E-MPN) online at <http://www.dlenote.ed.gov> using your Department of Education PIN (the same one that you used to sign your FAFSA). The e-MPN is a legal document that lists the terms and conditions under which you are agreeing to pay back the money you are borrowing. If you don't know or have forgotten your PIN, apply for a new one at <http://www.pin.ed.gov>.
4. Decide the amount you wish to borrow [refer to the table on the previous panel].
5. Complete an online Direct Loan Request at <http://www.bmcc.cuny.edu/finaid/loanrequest.html>. When you submit your request, you will receive an e-mail confirmation which you should keep for your records.

Use any computer with internet access to file a FAFSA, complete Loan Entrance Counseling, sign the e-MPN and submit your Direct Loan Request. If you need access to a computer, you are welcome to visit BMCC's Financial Aid Web Lab in Rm N-764.

