

Dear Financial Aid Applicant:

The Financial Aid Office at Western Iowa Tech Community College wants to assist you with financing your education. Your Financial Aid Award indicates if you are eligible for a Federal Stafford Loan. This packet of materials will provide you with the information you need to complete the loan application should you decide to apply.

Selection of a lender is a very important part of the application process for the Federal Stafford Loan. Many lenders participate in the Stafford program. We have listed some on the Loan Request Form who have continually provided our students with excellent customer service. These lenders use electronic funds transfer and are very efficient in getting funds to the student. You may use one of these lenders even if you are not from Iowa. **IF YOU ARE A NEW BORROWER**, you may choose any participating lender you wish. **IF YOU HAVE BORROWED A STUDENT LOAN PREVIOUSLY**, you should continue to borrow from the same lender. Changing lenders may cause problems when you enter repayment. All students should be sure to indicate clearly which bank they wish to use on the enclosed Loan Request Form.

You should complete your Loan Request Form according to the directions and return it to the Financial Aid Office. This form may be completed at any time but should be sent to us before **July 15**.

After you send your Loan Request Form to our office, we will electronically submit your loan information to your lender. See inside for additional hints to successfully completing your loan application.

If you have any questions about the loan process, please contact the Financial Aid Office at 712-274-6402 or 800-352-4649 extension 6402.

Sincerely,

The Financial Aid Staff

Dear Student:

Before You Borrow:

The estimated loan eligibility listed on your award letter is for informational purposes. The Financial Aid Office at Western Iowa Tech Community College encourages you to borrow **wisely**.

Do You Really Need a Loan?

For most students and their families, paying for college involves combining several resources to pay educational costs. First consider grants, scholarships, or other assistance for which you qualify. Savings, income from work, and assistance from family members can all be possible funding sources. Loans are not an entitlement but can be a resource if other sources are insufficient. **If you do decide to borrow, remember that you are accepting a serious, long-term responsibility to repay your loan.** Be sure you understand the terms of your loan as stated in the Master Promissory Note.

How Much Do You Need to Borrow?

- Estimate your total costs for the school year. Include charges for tuition and fees, books, equipment and supplies, and WITCC housing if applicable.
- Subtract grants and scholarships from the total costs.
- Subtract what will be paid from savings, income and other resources.

We discourage borrowing to pay basic living expenses if they are covered by other sources of income or assistance. Be aware of maximum loan amounts and any interest accruing on unsubsidized loans while you are in school.

How Much Will Your Payments Be?

Loan repayment begins 6 months after you graduate or stop attending on at least a half time basis. Refer to the repayment chart to help estimate the amount of your monthly payment based on the total amount of loans borrowed. If you borrow an unsubsidized loan, you may estimate the amount of interest accruing on the loan while in school using the interest chart. Note that it is to **your advantage** to pay the interest while in school.

If you have any questions, please feel free to contact the Financial Aid Office at (712) 274-6402 or (800) 352-4649 extension 6402.

The Loan Application Process: Information You Need to Know

Review the Financial Aid Award offered to you by Western Iowa Tech Community College.

Once your attendance is verified, WITCC will credit all grants, scholarships, and processed student loans to your student account as scheduled.

If you need to borrow a student loan, please follow the steps below:

NEW BORROWERS

1. Complete the enclosed Loan Request Form.
2. Return the completed Loan Request Form to the Financial Aid Office at Western Iowa Tech Community College, 4647 Stone Avenue, PO Box 5199, Sioux City, IA 51106.
3. The Financial Aid Office electronically submits your loan information to the lender/servicer.
4. You will receive a Notice of Loan Guarantee and information from the servicer instructing you to visit their website to complete the Master Promissory Note. Students that do not have access to a computer may use a computer in the Financial Aid Office to complete the MPN online or request a paper MPN. You must complete a MPN (either electronically or paper version), before any funds will be disbursed.
5. Upon receipt of the MPN, the lender/servicer will disburse funds, as scheduled, to WITCC.

RETURNING BORROWERS

If you are a returning or transfer student and previously borrowed a Stafford Loan, you should use the same lender.

1. Complete the enclosed Loan Request Form.
2. Return the completed Loan Request Form to the Financial Aid Office at Western Iowa Tech Community College, 4647 Stone Avenue, PO Box 5199, Sioux City, IA 51106.
3. The Financial Aid Office electronically submits your loan information to the lender/servicer and you will receive a Notice of Loan Guarantee from the lender/servicer.
4. The lender/servicer will disburse funds, as scheduled, to WITCC.

If you change lenders, you will need to complete a new MPN. See step 4 under New Borrowers.

Entrance interviews are required for all borrowers who are attending WITCC for the first time. This must be completed prior to the first disbursement of loan funds. Entrance loan counseling sessions will be held at 11:30 and 12:30 on Wednesday and Thursday, September 12 and 13, 2007 for the Fall semester and Wednesday and Thursday, February 6 and 7, 2008 for the Spring semester. Borrowers may also fulfill the requirement when completing the MPN online or by going to www.witcc.edu and searching for Loan Counseling, and click the Stafford Entrance icon.

NOTE: The loan application process can take up to 2 months. Submit your Loan Request Form Early!

If you plan to use a student loan for Summer, contact the Financial Aid Office. You must be attending at least 6 credit hours each semester to receive loan funds.

Read and respond to all future mailings from WITCC and your lender/servicer. If you have any questions, contact WITCC at 712-274-6402 or 800-352-4649 extension 6402.

Examples:

Attendance Period	Fall Amt.	Spring Amt.	Summer Amt.	Total Amt.
2 Semesters	\$1750	\$1750	\$0	= \$3500
2 Semesters + Summer	\$1167	\$1167	\$1166	= \$3500

Repayment Charts

More About the Federal Stafford Loan Program

nALL loan proceeds will be electronically transmitted to each student's account IF the student meets ALL eligibility requirements such as completion of the entrance interview, at least half-time enrollment, satisfactory academic progress, etc.

- I understand that if I apply as a part-time student, I will enroll in a minimum of six (6) credit hours for each semester included in my loan period.
- I understand that Federal Regulations require multiple disbursements of all loan funds.
- I understand that loan funds will not be disbursed until 30 days after the beginning of the term.
- I understand that all funds will be credited to my account first, with any remaining balance refunded to me.
- I understand that I am applying with a Master Promissory Note. I understand that I may receive one or more loans under this Master Promissory Note and that I must repay such loans.

I understand that if this is the first loan I am borrowing at WITCC, that federal regulations require me to attend a loan counseling session prior to receiving my first disbursement. If I fail to do so, my loan will be canceled and the funds returned to the lender. I may complete this counseling when completing the MPN online or by going to www.witcc.edu and searching for Loan Counseling, and click the Stafford Entrance icon.

nYou may be able to charge books at the WITCC bookstore if you have:

- submitted your LRF
- received a notice of loan guarantee from your lender
- a valid Master Promissory Note on file with your lender 30 days prior to the start of the semester

nMany lenders offer borrower benefits, which may include a waiver of up-front fees and/or reduction of interest during repayment. When selecting a lender, you may wish to compare the borrower benefits available.

nIf you have previously borrowed a Stafford Loan, use the same lender as the prior loans.

nThere are two types of Stafford Student Loans: subsidized and unsubsidized. Eligibility for the subsidized Stafford is based on financial need and features deferment of principal and elimination of interest charges while enrolled at least half-time.

The unsubsidized Stafford is for students who do not demonstrate financial need and for independent students who need to borrow more than the base amount. The unsubsidized Stafford **does** accrue interest while the student is enrolled. Students borrowing an unsubsidized loan may pay the interest that accrues while in school, or let the interest be added to the loan amount (capitalized). This option may be indicated on the promissory note. Remember, it is to **your advantage** to pay the interest while in school.

nThe amount of Stafford Loan a student may borrow is dependent upon the student's enrollment status and other financial aid. Loan maximums are:

\$3500 1st year of program of study \$4500 2nd year of a program of study

You must have completed one-half of the required credit hours of your program of study to qualify for 2nd year loan amounts. Independent students (as determined by the FAFSA) may be eligible for an additional \$4000 in unsubsidized loan if needed.

nIF A MPN IS NEEDED, YOUR LOAN WILL NOT BE FINALIZED UNTIL YOUR LENDER HAS AN MPN ON FILE.

nA Master Promissory Note is a legal document under which you may receive multiple Stafford Student Loans over a maximum ten year period. You are legally responsible to repay all loans borrowed under a MPN.

nYou will receive a Notice of Loan Guarantee specifying the loan amount that was approved and the approximate dates the funds will be electronically transmitted to the college. WITCC will credit your student account with the loan proceeds and notify you through your mywitcc e-mail when that transaction has occurred. If your loan exceeds your charges for the term, a refund check will be written and mailed to **your permanent address**. If you need to update your permanent mailing address, go to www.mywitcc.com.

nYou have the right to cancel your loan prior to disbursement or within 14 days if you have not received any refund. Students wanting to cancel their loans must notify the Financial Aid Office in writing.