

Dear Financial Aid Applicant:

The Financial Aid Office at Western Iowa Tech Community College wants to assist you with financing your education. If you are eligible for a Federal Direct Loan the amount is indicated on your financial aid award. The following material will provide you with the information you need to complete the loan application should you decide to apply.

The Federal Direct Student Loan eligibility listed on your Award Notice **REQUIRES ADDITIONAL STEPS** in order to receive this loan.

The estimated eligibility listed on your award letter is for informational purposes. Students are encouraged to borrow wisely.

If you need to borrow funds for your education, you must:

NEW BORROWERS

1. Log in to <http://my.witcc.edu>, click on “my financial aid” under “FINANCES” then select the 2018/2019 Academic Year. At the top click “Financial Aid” and select “My Awards” then click “Accept or Decline” under the loans you wish to accept. Be sure to click the “Accept” button to accept the loan.
2. Complete the Master Promissory Note at <https://studentloans.gov>
3. Complete Entrance Counseling also at <https://studentloans.gov>
You will receive a Notice of Loan Guarantee from the servicer. Students who do not have access to a computer may use a computer in the Financial Aid Office or a public library to complete the MPN and Entrance Counseling online. You must **complete a MPN and Entrance Counseling before any funds will be disbursed.**
The Direct Loan Servicing Center will disburse funds, as scheduled, to WITCC when steps 1, 2, and 3 have been completed.

Entrance Counseling is 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 must be completed online at <https://studentloans.gov>. After you complete the Entrance Counseling, should you have questions about the Federal Direct Student Loan Program, please contact the Financial Aid Office at 800.352.4649 or 712.274.6402 or via email at finaid@witcc.edu.

RETURNING BORROWERS

1. Log in to <http://my.witcc.edu>, click on “my financial aid” under “FINANCES” then select the 2018/2019 Academic Year. At the top click “Financial Aid” and select “My Awards” then click “Accept or Decline” under the loans you wish to accept. Be sure to click the “Accept” button to confirm the accept status.
You will receive a Notice of Loan Guarantee and information from the servicer.
The Direct Loan Servicing Center will disburse funds, as scheduled, to WITCC.

You must enroll for at least 6 credit hours each semester to receive loan funds.

A student loan will not be processed without accepting your Direct Student Loan online or by completing the Loan Request Form if you only want to borrow a portion of the offered loan amount.

Be sure to read the Award Letter Information as this is information you need to know. You can find this information by logging in to mywitcc.com, click on Students tab, in Financial Aid box click on Award Letter Information.

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 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 and meal plan if applicable.
- Subtract grants and scholarships from the total costs.
- Subtract what will be paid from savings, income and other resources. Parents of dependent students may wish to consider a Parent Loan for Undergraduate Students (PLUS) to assist in covering any remaining balance.

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.

- The Median Loan typically borrowed by students to complete a 2 year degree at WITCC is \$8,164. If you are borrowing above this amount to complete your program, you should seriously evaluate your level of borrowing.

How Much Will Your Payments Be?

Loan repayment begins 6 months after you graduate or stop attending at least half time. 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.

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

Repayment (Principal and Interest)

Estimated monthly payments for Direct Loan at the interest indicated.

Total Borrowed	Monthly Payment at 4.29%	Total Interest Paid	Total Amount Paid
\$3,500	\$50*	\$539	\$4,039
\$7,000	\$70	\$1,425	\$8,425
\$15,000	\$152	\$3,281	\$18,281

*Minimum Monthly Payment is \$50. Payment amounts are based on 10 year Standard repayment plan. 120 equal monthly payments. Loans originated for 2016-17 are based on the 4.29% interest rate.

Disbursement

ALL loan proceeds will be electronically transmitted to each student's account IF the student meets ALL eligibility requirements such as completion of the entrance counseling, Master Promissory Note (MPN), at least half-time enrollment, satisfactory academic progress, etc.

- I understand that I must 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 attending at least 6 credit hours.
- 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 I am required to complete Entrance and Financial Awareness 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.
- You may be able to charge books at the WITCC bookstore if you have:
 - submitted your Federal Loan Request Form
 - received a notice of loan guarantee from the Direct Loan Servicing Center
 - a valid Master Promissory Note on file with the Direct Loan Servicing Center 30 days prior to the start of the semester

Types of Student Loans

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

The unsubsidized Direct Loan **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.

The amount of Federal Direct Loan a student may borrow is dependent upon the student's enrollment status and other financial aid. Subsidized loan maximums are:

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

You must have completed one-half (30 credit hours) 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 \$6000 in unsubsidized loan if needed. Dependent students (as determined by the FAFSA) may be eligible for an additional \$2000 in unsubsidized loan if needed.

ALL NEW BORROWERS ATTENDING WITCC FOR THE 2018-2019 SCHOOL: YOUR LOAN WILL NOT BE FINALIZED UNTIL YOU HAVE COMPLETED ALL APPLICATION REQUIREMENTS AND THE DIRECT LOAN SERVICING CENTER HAS AN MPN ON FILE. WWW.STUDENTLOANS.GOV.

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

You 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. If your loan exceeds your charges for the term, a refund will be issued.

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