

Gordon College utilizes an electronic data exchange process for loans. Once all required documentation has been received, we will electronically transmit your loan request to your lender choice. A letter of instruction on how to complete your **Master Promissory Note (MPN)** will be mailed to your home address. The Master Promissory Note must be e-signed or printed and returned to the lender (new borrowers only).

<p>Required Forms</p>	<ol style="list-style-type: none"> 1. You must complete a Free Application for Federal Student Aid (FAFSA) and have your 2006-2007 Student Aid Report (SAR) sent to Gordon College (School Code 001575). 2. Complete, sign and return the attached Stafford Loan Request/Entrance Counseling Form. 3. If you are selected for verification, you will be required to submit additional documentation.
<p>Federal Stafford Loan Policies</p>	<ol style="list-style-type: none"> 1. You must be registered for at least 6 credit hours to be eligible for a Federal Stafford Loan. 2. There is a 30-DAY DELAY for all firsttime borrowers. The first loan disbursement cannot be released until 30 days after the first day of class. 3. You must meet all standards of Satisfactory Academic Progress (SAP) before any funds are posted to your account or released directly to you. 4. After registration, you must FINALIZE payment and ensure your class schedule. If you finalize registration and you DO NOT ATTEND CLASS(ES), you must complete the withdrawal process. 5. If Session II class hours are used in calculation of semester financial aid and those hours are dropped on or before the first day of class, your semester financial aid hours will be reduced, which may result in a reduction of award. This may also result in an overpayment that will have to be repaid (summer only). 6. Loan requests submitted after midterm of a semester in which you are currently enrolled will be handled on a case-by-case basis.

Stafford Loan Definitions

Subsidized Loan: A loan based on financial need. The federal government pays the interest on the loan while you are in school at least half-time, during your grace period, and during authorized periods of deferment.

Unsubsidized Loan: A loan that is non-need-based. You are responsible for the interest that accrues from date of first disbursement forward. Interest can either be paid while you are in school, or it can be postponed until you enter repayment. If you postpone paying interest, once you enter repayment it will be capitalized or added to the principal, thereby increasing the outstanding balance on which interest accrues daily.

Default: Failure to pay your loan back according to terms disclosed in your promissory note results in default. You are in default on your student loan if your payments are 270 days past due or if you fail to comply with other terms of the loan. When this occurs, any of the following may happen:

- Your default will be reported to national credit bureaus, recorded on your permanent credit record and can significantly and adversely affect your credit history.
- You may be subject to legal action by the holder of the loan.
- Your wages may be garnished.
- You may be ineligible to receive additional federal or state financial aid, including student loans.

Stafford Loan Program Annual Maximums

Year In School	Subsidized & Unsubsidized Dependent Student	Subsidized & Unsubsidized Independent Student
Freshman	\$2,625	\$2,625 + \$4,000
Sophomore	\$3,500	\$3,500 + \$4,000

Sample Loan Repayment Chart

Amount Borrowed	No. of Payments	3.00%		4.00%		5.00%		6.00%		7.00%		8.00%	
		Total Interest	Total Payment	Total Interest	Total Payment	Total Interest	Total Payment	Total Interest	Total Payment	Total Interest	Total Payment	Total Interest	Total Payment
\$1000	18	\$24	\$57	\$32	\$58	\$40	\$58	\$48	\$59	\$56	\$59	\$65	\$65
\$2000	36	\$94	\$59	\$126	\$60	\$158	\$61	\$190	\$62	\$223	\$63	\$256	\$256
\$3000	72	\$282	\$47	\$379	\$48	\$479	\$50	\$580	\$51	\$683	\$53	\$787	\$787
\$4000	108	\$569	\$44	\$770	\$46	\$975	\$48	\$1186	\$50	\$1403	\$52	\$1624	\$1624
\$5000	120	\$794	\$51	\$1075	\$53	\$1364	\$56	\$1661	\$58	\$1967	\$61	\$2280	\$2280
\$10000	120	\$1587	\$101	\$2149	\$106	\$2728	\$111	\$3322	\$116	\$3933	\$121	\$4559	\$4559
\$15000	120	\$2381	\$152	\$3224	\$159	\$4092	\$167	\$4984	\$174	\$5900	\$182	\$6839	\$6839
\$20000	120	\$3175	\$202	\$4299	\$212	\$5456	\$222	\$6645	\$232	\$7866	\$243	\$9119	\$9119
\$30000	120	\$4762	\$304	\$6448	\$319	\$8184	\$333	\$9967	\$348	\$11799	\$364	\$13678	\$13678
\$40000	120	\$6349	\$405	\$8598	\$424	\$10911	\$444	\$13290	\$464	\$15732	\$485	\$18237	\$18237

Student Loan Entrance Counseling Interview

1. I realize that I must repay this loan with all accrued interest and deducted fees.
2. I have a maximum of 10 years to repay this loan unless my loans are consolidated, which may extend my repayment term.
3. I may prepay all or part of this loan without penalty.
4. The minimum monthly payment for this loan is \$50.00 but can be more depending on the sum borrowed.
Repayment will begin as follows:
 - Federal Subsidized Stafford Loan borrowers- following a 6-month grace period.
 - Federal Unsubsidized Stafford Loan borrowers- following a 6-month grace period; however, interest accrues while in school and during the grace period, but interest payments can be postponed until repayment begins.
5. The interest rate for my loan will be specified on my disclosure statement (to be sent to me upon approval), and I am responsible for paying accrued and/or capitalized interest.
6. I must notify the lender in writing within 10 days if I:
 - Change my name
 - Change my telephone number
 - Change my address
 - Change my graduation date
 - Withdraw from school
 - Transfer to another school
 - Enroll for less than half-time
7. I will be notified in writing if my loan is transferred to a new holder. I must direct all future correspondence to that new holder.
8. If I am temporarily unable to make payments (i.e., still attending school or unemployed), I may qualify and apply for a postponement of my loan payments. This is known as a loan deferment. Deferment time is not included within the 10-year repayment term.
9. If I do not qualify for a deferment and am unable to make payments on my loan, I may request forbearance from my lender. Forbearance is not included in the 10-year repayment term.
10. If I fail to repay my student loan, I will be considered to be in default, and the following may result:
 - My loan will be reported to a national credit bureau and have a negative impact on my credit rating for seven years.
 - The entire unpaid amount of my loan, including interest, will become immediately due and payable.
 - My federal and state income tax refunds may be withheld, or my wages may be garnished.
 - I may be ineligible to receive any additional federal or state financial aid funds.
 - My loan will be referred to a collection agency, and I will be liable for collection costs.
 - I may be sued by the holder of my loans for all amounts owed, including attorney fees.
11. I must repay my entire loan even if I do not complete my education, am not satisfied with my education, cannot find employment, or do not receive the educational or other services that I purchased from my school.
12. Loan consolidation may be an option for me. This allows me to consolidate student loan debts from multiple federal programs and lenders into one loan, usually extending the repayment period and lowering monthly payments. Interest rate and total interest paid may be greater with consolidation.

I authorize Gordon College to process my Federal Stafford Loan Request. I have read and understand the information on this form.

Borrower's signature _____ Date _____

For office use only

Independent Dependent

Aggregate Sub \$

Aggregate Unsub \$

First-time, first-year borrower

Grade level: Freshman (0-30 hrs. completed) Sophomore (31-60 hrs. completed)

Subsidized Stafford loan	Unsubsidized Stafford loan
Cost of attendance	Cost of attendance
Est. family contribution	Other resources
Other resources	Financial Aid Award
Need	Need
Sub. Stafford eligibility	Unsub. Stafford eligibility

Processed by _____ Date _____