

## Federal Direct Stafford Loan Request Form - New Borrowers 2019-2020

Name		Student ID #	
Permanent Address	City	State	Zip Code
Email		Phone Number	

Carefully read this form in its entirety and ensure that you understand your loan agreement and the type of loan(s) you are requesting. It is important that you do not borrow more than you need or more than you expect to be able to repay.

**Please initial each section indicating you have read and understand the information provided:**

### LOAN LIMITS

Initials

The reference tables below specify annual and aggregate loan limits for undergraduate and graduate students. Amounts listed are the maximum amounts that can be requested by grade level each academic year. Loan requests are divided in half and evenly disbursed during the fall and spring semesters:

Grade Level	Undergraduate						Graduate	
	Dependent			Independent			Program of Study	Unsubsidized Loan
	Subsidized Loan	Unsubsidized Loan	Total Max	Subsidized Loan	Unsubsidized Loan	Total Max		
<b>Freshman</b> 0-29 credits earned	\$3,500	\$2,000	\$5,500	\$3,500	\$6,000	\$9,500	Business (MBA) Computer Science (M.S.) Education (M.Ed.)	\$20,500* maximum  *based on FT enrollment
<b>Sophomore</b> 30-59 credits earned	\$4,500	\$2,000	\$6,500	\$4,500	\$6,000	\$10,500		
<b>Junior/Senior</b> 60+ credits earned	\$5,500	\$2,000	\$7,500	\$5,500	\$7,000	\$12,500		
<b>Aggregate Loan Limits</b>	\$31,000 (up to \$23,000 of this amount may be subsidized)			\$57,500 (up to \$23,000 of this amount may be subsidized)			<b>Aggregate Loan Limits</b>	\$138,500 (up to \$65,500 of this amount may be subsidized; includes loans received for undergraduate studies)

For more information about subsidized & unsubsidized loans, visit: [StudentAid.gov/sub-unsub](http://StudentAid.gov/sub-unsub)

### LOAN INTEREST

Initials

Interest is the cost of borrowing money and the rate varies depending on the type of loan. Each year in May, Congress releases the new federal student loan interest rates based on the 10-year Treasury yield. To view the interest rates for Federal Direct Student Loans with a first disbursement date on or after July 1, 2019 and June 30, 2020, please visit: <https://studentaid.ed.gov/sa/types/loans/interest-rates>



## REPAYMENT

Initials

Federal regulations require borrowers to maintain half-time enrollment status (6 credit hours) to be eligible to receive the Federal Direct Stafford Loan. If the student withdraws or drops below half-time enrollment, loan disbursements may be subject to proration or cancellation.

Repayment for the Federal Direct Stafford Loan begins six months after you graduate or drop below half-time enrollment. This six-month period is known as your [Grace Period](#). At the end of your grace period, you will be required to make payments to your [Loan Servicer](#).

Several loan [repayment options](#) are available to students. The following table is a sample repayment schedule based on the Standard Repayment Plan with equal monthly payments over 10 years (120 months). Amounts shown are only estimates. Your actual payment amount and interest rate may vary. For a customized repayment estimate based on your loan request, use the [Loan Repayment Calculator](#).

Balance at Repayment	5.05%			6.60%			7.60%		
	Direct Sub/Unsubsidized Loans - Undergraduate Students			Direct Unsubsidized Loans - Graduate Students			Direct Grad PLUS & Parent PLUS Loans		
	Payment	Months	Interest	Payment	Months	Interest	Payment	Months	Interest
\$1,000	\$50	21	\$46	\$50	22	\$64	\$50	22	\$74
\$10,000	\$106	120	\$2,728	\$114	120	\$3,687	\$119	120	\$4,307
\$20,000	\$212	120	\$5,456	\$228	120	\$7,374	\$238	120	\$8,614
\$30,000	\$318	120	\$8,184	\$342	120	\$11,061	\$358	120	\$12,921
\$40,000	\$424	120	\$10,911	\$456	120	\$14,748	\$477	120	\$17,228
\$50,000	\$530	120	\$13,639	\$570	120	\$18,434	\$596	120	\$21,535

To learn more, read the [Repaying Your Student Loans](#) publication provided by the U.S. Department of Education.

## DEFAULT

Initials

Upon the expiration of your grace period, you are expected to begin repaying your loans. It is very important to pay the amount shown on your bill by the expected due date. Failing to make the required monthly payment will cause your loan to default, resulting in, but not limited to the following major consequences:

- The entire unpaid balance of your loan and any interest you owe becomes immediately due ("acceleration").
- You will lose eligibility for additional federal student aid.
- You can no longer receive deferment or forbearance, and you lose eligibility for other benefits, such as the ability to choose a repayment plan.
- The default will be reported to credit bureaus, damaging your credit rating and affecting your ability to buy a car or house or to get a credit card.
- Your tax refunds and federal benefit payments may be withheld and applied toward repayment of your defaulted loan ("Treasury offset").
- Your wages will be garnished. This means your employer may be required to withhold a portion of your pay and send it to your loan holder to repay your defaulted loan.
- Your loan holder can take you to court.
- You may be charged court costs, collection fees, attorney's fees, and other costs associated with the collection process.
- It may take years to reestablish a good credit record.
- NAU may withhold your academic transcript until your defaulted student loan is satisfied

If you're having trouble making your payment, please contact the Financial Aid Office or your loan servicer for assistance. To learn more about avoiding loan delinquency & default, visit: <https://studentaid.ed.gov/sa/repay-loans/default>.



### LOAN REQUEST

Please check one of the following options for the total loan amount you want to request:

I would like to request a Federal Direct Stafford Loan for the following amount:

\$ \_\_\_\_\_

I do **NOT** want a Federal Direct Stafford Loan for the 2019-2020 academic year

### ONLINE REQUIREMENTS

If you have not done so already, you must submit the Free Application for Federal Student Aid (FAFSA). To complete the loan process, please SIGN IN to [www.studentloans.gov](http://www.studentloans.gov) using your FSA ID and complete the following online requirements for your loan request. Each step below must be completed before NAU will be able to process your loan with the U.S. Department of Education:

Initials

**ENTRANCE COUNSELING** for the FEDERAL DIRECT STAFFORD LOAN

All students who are borrowing for the first time at NAU are required to complete an Entrance Counseling session. This is a federal requirement to help you understand your rights and responsibilities as a borrower. You must complete Entrance Counseling before your loan can be processed.

To promote financial literacy and responsible borrowing, students are encouraged to also complete **FINANCIAL AWARENESS COUNSELING**, which provides additional tools and information to help you understand your financial aid and assist you in managing your finances.

Initials

**MASTER PROMISSORY NOTE** for the FEDERAL DIRECT STAFFORD LOAN

The application process for the Federal Direct Stafford Loan also requires a Master Promissory Note (MPN). This is a legal agreement that you will repay your loan in the future. You must complete the MPN before your loan can be processed.

### STUDENT CERTIFICATION

By submitting this form, I certify that I have read and understand the information included on this Federal Direct Stafford Student Loan Request Form. **I understand that my Federal Direct Stafford Loan constitutes a debt that I am responsible for repaying in full.** I further certify that I have completed the loan Entrance Counseling and Master Promissory Note requirements. I understand my loan disbursement may be subject to proration or cancellation if I withdraw or drop below half-time enrollment.

Student Name: \_\_\_\_\_

SSN#: \_\_\_\_\_

Student Signature: \_\_\_\_\_

Date: \_\_\_\_\_