RESPONSIBLE BORROWING

KNOW WHAT YOU OWE!
Completing FAFSA for Federal Student Loans

• U.S. Citizens and Permanent Residents are encouraged to complete the FAFSA each year online at www.fafsa.gov
  ○ Who’s already completed the FAFSA? This should be done by March 1st for priority consideration
  ○ If you have not yet completed a FAFSA, it is not too late to borrow loans

• Students are automatically eligible to borrow Federal Direct Student Loans
  ○ You should have seen these included in your Financial Aid Notification Letter along with the rest of your aid
## Two Types of Federal Student Loans

<table>
<thead>
<tr>
<th>Subsidized Loan</th>
<th>Unsubsidized Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Need-based Loan</strong></td>
<td><strong>NOT a need-based loan</strong></td>
</tr>
<tr>
<td>- Not all students will qualify for this loan</td>
<td>- Each student will qualify</td>
</tr>
<tr>
<td>- <em>Does NOT accrue interest</em> while enrolled in at least 6 credit hours</td>
<td>- This loan <em>will accrue interest</em> from the time that the loan disburses (typically a few weeks after the semester begins)</td>
</tr>
<tr>
<td>- Interest Rate = 4.29%</td>
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</tr>
<tr>
<td></td>
<td>- This rate is fixed and typically the government releases a new rate each year</td>
</tr>
<tr>
<td>- Origination Fee = 1.068%</td>
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</tr>
<tr>
<td></td>
<td>- This fee is taken off the top of the loan, therefore the amount that disburses on your bill is going to be a bit less than the amount of the loan listed on your Financial Aid Notification Letter</td>
</tr>
</tbody>
</table>
Federal Loan Required Tasks

**Entrance Counseling**
- Complete online at [www.studentloans.gov](http://www.studentloans.gov) using your FSA ID to login
- Online counseling session to overview responsibilities and obligations of borrowing student loans
- Takes 20-30 minutes to complete
- Only needs to be done once – your first time borrowing at Ringling College

**Master Promissory Note (MPN)**
- Complete online at [www.studentloans.gov](http://www.studentloans.gov) using your FSA ID to login
- A legal document you must sign electronically promising to repay your loans (as well as all interest and fees) to the US Dept. of Education
- Only needs to be done once – the MPN can be used for up to 10 years
- Takes approx. 30 minutes to complete
- Will need employer info (if applicable) and reference information for two people
### Federal Student Loan Amounts

#### Dependent Students
(Under 24 years old and unmarried)

<table>
<thead>
<tr>
<th>Year</th>
<th>Subsidized</th>
<th>Unsubsidized</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,500</td>
<td>$2,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>2</td>
<td>$4,500</td>
<td>$2,000</td>
<td>$6,500</td>
</tr>
<tr>
<td>3</td>
<td>$5,500</td>
<td>$2,000</td>
<td>$7,500</td>
</tr>
<tr>
<td>4</td>
<td>$5,500</td>
<td>$2,000</td>
<td>$7,500</td>
</tr>
</tbody>
</table>

*If borrowing max each year, you will owe a total of: $27,000*

#### Independent Students
(24 years old + and/or married)

<table>
<thead>
<tr>
<th>Year</th>
<th>Subsidized</th>
<th>Unsubsidized</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,500</td>
<td>$6,000</td>
<td>$9,500</td>
</tr>
<tr>
<td>2</td>
<td>$4,500</td>
<td>$6,000</td>
<td>$10,500</td>
</tr>
<tr>
<td>3</td>
<td>$5,500</td>
<td>$7,000</td>
<td>$12,500</td>
</tr>
<tr>
<td>4</td>
<td>$5,500</td>
<td>$7,000</td>
<td>$12,500</td>
</tr>
</tbody>
</table>

*If borrowing max each year, you will owe a total of: $45,000*
Student Loan Borrowing Examples

- Kim is starting her first year, is 18 years old and her Expected Family Contribution (EFC) is $15,000
  - She is a dependent student due to her age of 18
  - She does qualify for a Subsidized Loan due to her EFC derived from the FAFSA

- Kim will receive $3,500 Subsidized Loan and $2,000 Unsubsidized Loan
  - On her Fall Bill, she will see $1,732 Subsidized ($1,750 minus the origination fee) and $990 ($1,000 minus the origination fee) Unsubsidized Loan

- Eddie is starting his first year, is 36 years old and his Expected Family Contribution is $68,000
  - He is an independent student due to his age of 36
  - He does NOT qualify for the Subsidized Loan due to his EFC being above the Cost of Attendance

- Eddie will receive $9,500 Unsubsidized Loan
  - On his Fall bill, he will see $4,700 ($4,750 minus origination fee)
Student Loan Repayment

- Payments are not due until student graduates or is attending less than 6 credits
- Students are given 6 month grace period after graduation
- All student loans borrowed will be calculated into one payment through one servicer
- Various repayments options available
- Standard repayment term is 10 years

Repayment Examples:
- **Dependent Student**
  - If borrowing the max of $27,000 over 4 years, payment will be around $277/month for 10 years
- **Independent Student**
  - If borrowing the max of $45,000 over 4 years, payment will be around $462/month for 10 years
Our Office Hours are Monday thru Friday from 8:30am to 4:30pm

Feel free to stop in, call, or email us with any questions or concerns!

Phone: 941-359-7534         Email: finaid@ringling.edu