

2007-2008 Stafford Loan Application Information and Instructions

The Office of Financial Aid at the College of Lake County (CLC) provides this information to tell you about the student loan program. **If you are not interested in a loan, please disregard this application.**

The deadline for loan application is March 17, 2008.

General Eligibility Requirements

- Be enrolled at least half time (six credit hours in non-remedial college credit courses);
- Complete the 2007-2008 Free Application for Federal Student Aid (FAFSA)
- Meet the *Standards of Academic Progress for Financial Aid Recipients* policy and demonstrate academic success;
- Complete online entrance counseling requirement;
- Complete CLC loan application;
- Demonstrate financial need;
- Meet CLC and lender deadlines;
- Sign master promissory note.

Types of Loans

Federal Stafford Loans

These loans are made through participating banks and lenders. The interest rate varies each year but does not exceed 8.25 percent. The loan has fees that usually do not exceed three to four percent of the loan amount. The loan maximum for a full-time and first year student is \$3,500. Students who have earned over 30 credit hours at CLC may apply for \$4,500. A loan is typically for the fall and spring semesters. Repayment begins six months after the student stops attending at least half time (6 credit hours).

- **Subsidized:** Federal subsidized Stafford loans are based on financial need. The interest payments are made by the federal government, on the student's behalf, when enrolled at least half time.
- **Unsubsidized:** Federal unsubsidized Stafford loans are not based on financial need. The borrower is responsible for the interest payments from the date the loan is disbursed.

Federal Stafford loans generally assist with the cost of tuition and fees at the College of Lake County, if grants and scholarships are not available.

PLUS Loans

These loans are available to parents of CLC students. PLUS loans generally help families who are paying out of district tuition. To be considered for a PLUS loan, the student must complete the 2007-2008 Free Application for Federal Student Aid (FAFSA) and meet the general loan requirements listed above. The parent must complete CLC's 2007-2008 *PLUS Loan Request* before loan information will be sent to the lender. The lender will contact the

parent about signing a promissory note before any funds are sent to CLC.

Alternative Loans

The interest rates, terms, and conditions are set by the bank/lender. Applications and information are available from the student's bank/lender. The Office of Financial Aid has limited information available about alternative loans. In general, interested students submit a paper application to initiate the alternative loan process. These loans help pay for tuition, fees, books, and other educational expenses.

Stafford Loan Application Process

For Stafford loan consideration, the student must complete CLC's 2007-2008 *Stafford Student Loan Application* by **Monday March 17, 2008** (Students enrolled only in the fall semester must complete information by **December 3, 2007**.) After receiving the application, the Office of Financial Aid will continue to evaluate your loan eligibility. Approval or denial of your loan request is sent in writing. The earliest information will be sent to your bank/lender is after the fall 2007 semester census date (6th week of classes). If eligible you will receive additional information from your lender. Your lender will send you a master promissory note (MPN). You must sign and return your MPN to your lender before loan funds are sent to CLC. *Read and follow all directions* before signing and returning correspondence from CLC and your lender. Please allow up to eight weeks from when the Office of Financial Aid approves your loan to the disbursement of loan funds to your CLC student account.

Entrance Loan Counseling Requirement

All Stafford loan borrowers must complete **loan counseling** each year. Loan counseling is available "online" at www.mapping-your-future.org. Students must complete the "entrance" counseling section. No loan information will be processed until this counseling requirement is completed.

Loan Disbursements

Each loan is divided into two disbursements – typically one-half for the fall semester and one-half for the spring semester. Generally student loan funds are received electronically (EFT). You will be notified in writing when loan funds have been applied to your CLC student account.

A loan refund is only made available after tuition and fees are paid in full. If a student is receiving any grants or scholarships, please note that the grants and scholarships are not disbursed until after the census date (6th week of the semester) and after attendance is confirmed.

Checks are mailed to the address on file with the Office of Admissions and Records. Loan funds are sent by the lender(s) twice a week, beginning the week of October 8, 2007 (fall semester) and March 10, 2008 (spring semester). No loan funds are received when the College is closed for business.

Loan Repayment

Please remember that you are applying for a student loan—not a grant or a scholarship. *This loan must be repaid including the interest charges.* If you fail to repay your loan as scheduled by your lender, serious consequences will result. Since defaulted loans are reported to all national credit bureaus, you may experience any or all of the following:

- Payment for the entire unpaid amount of your loan, including interest, will be due immediately;
- Liability for additional collection costs;
- Loss of future eligibility for federal or state financial aid and/or educational loans;
- Referral to a collection agency;
- Lost of deferment and forbearance options;
- Withheld federal and state income tax refunds;
- Denied renewal of an Illinois professional license;
- Withheld part of any future employment salary or earnings;
- Response to any legal action taken against you.

In addition to experiencing all or some of the above, you will still have to repay your loan.

For more information, refer to: Federal Student Guide at http://studentaid.ed.gov/students/publications/student_guide/index.html or The Illinois Student Assistance Commission at www.collegezone.com/ or your lender.



INSTRUCTIONS: Complete this application for student loan consideration. Return this signed form with a copy of your "Stafford Entrance Loan Counseling Interview" Confirmation to the Office of Financial Aid at the Grayslake campus, room B114 no later than March 17, 2008. The Office of Financial Aid will review information previously submitted in order to determine loan eligibility, loan level, and disbursement dates, and notify you of your pre-approval status as soon as possible. Final loan approval will be performed at the time of loan disbursement (Census Date or after) and is contingent on meeting satisfactory academic progress standards of the college and student enrollment in at least 6.0 credit hours.

A. Loan Counseling Requirement

Attach a copy of your "Stafford Entrance Loan Counseling Interview" confirmation from www.mapping-your-future.org.

B. Student Information (Please print all information.)

Name Last First ID

I intend to graduate from the College of Lake County in:

- December 2007 May 2008 May 2009 May 2010

I intend to use these loan funds to (check all that apply):

- Pay tuition, fees, books, and supplies; Consolidate debt; Pay room and board; Pay child care expenses; Buy a car; Pay medical expenses; Other: (please explain on separate paper)

Indicate how much you wish to borrow (check only one box):

- \$1,750 - estimate for full-year, part time, in-district tuition and fees; \$3,500 - maximum for full-year students with 0-29 earned credits; \$4,500 - maximum for full-year students with 30 or more earned credits; Other (list amount) \$

If the amount requested exceeds your subsidized Stafford loan eligibility, do you want the Office of Financial Aid to certify unsubsidized loan eligibility?

- YES (Interest grows on an unsubsidized loan while you are in school. You may defer payment of the interest, but it will continue to grow.); NO, I am not interested in an unsubsidized loan, even if it means I will not be eligible for any loan.

Please select a lender for your Stafford Student Loan Application. (If you have a prior lender, we encourage you to use that lender.)

- FinanSure Code: 834204; Citibank Code: 826878; Chase Code: 808857; Student Capital Code: 834192; Other: Code:

C. Sign this application - Student signature required.

Student signature Date

WARNING: If you purposely give false or misleading information, you may be fined, sentenced to jail or both.

D. Complete and return this application. Applications are not accepted after March 17, 2008.