

Federal Direct Loan Request

Piedmont Virginia Community College participates in the William D. Ford Federal Direct Loan (Direct Loan) Program. It is crucial to know and understand the procedures that will finalize your loan. Outlined below are the steps along with the Direct Loan Request Form. Please review the following carefully and contact our office if you have any questions.

Apply for the FAFSA

Complete and submit the FAFSA for the applicable award year. The PVCC Financial Aid Office will determine your eligibility for Federal Direct Loans. Include PVCC (School Code: 009928) on your FAFSA. PVCC will not certify your loan without the processed results from your FAFSA. The FAFSA and any additional documentation must be submitted before the loan can be processed.

Complete Loan Entrance Counseling

This counseling introduces the Federal Student Loan Program, the Master Promissory Note, repayment options, and borrower's rights and responsibilities.

1. Go to www.studentloans.gov/entrance-counseling
2. Log in using your FSA ID.
3. Select Undergraduate Entrance Counseling.
4. Choose a grade level, a school to notify, and complete counseling.

Complete Master Promissory Note

The MPN is a legally binding document stating that you agree to repay your loan and accept the terms and conditions of the loan. The MPN also defines your rights and responsibilities as a borrower. It's essential that you review this document.

1. Go to www.studentaid.gov/mpn
2. Select Complete Undergraduate Loan Agreement for a Subsidized/Unsubsidized Loan (MPN).
3. Select loan type and complete MPN.

Submit Federal Direct Loan Request Form

This collects the information necessary for PVCC to electronically transmit student loan data to the Department of Education (ED). ED will send the loan funds to PVCC via Electronic Funds Transfer (EFT). When funds are received, PVCC will credit the account.

Certification by PVCC

The Financial Aid Office will create a student loan record and electronically transmit the record to ED. Your To-Do List items must be complete to determine your financial aid eligibility before certification.

- Must meet Satisfactory Academic Progress (SAP)—refer to PVCC SAP Policy.
- Must not be in default on previous loans.
- Must be enrolled in at least six credits.

Disbursement of Funds

Funds are disbursed after the completion of Entrance Counseling, MPN, and other requirements. ED sends funds to PVCC via EFT. If the loan amount exceeds your applicable charges, you may be eligible for a refund. Refunds processed via EFT transfer to the authorized bank or prepaid account on file. After refund disbursement, allow up to 14 days for final refund processing. PVCC disburses Federal Direct Loans to your PVCC account after the latest last day to drop with a refund date for enrolled classes each semester. Disbursements begin no earlier than mid-semester. No aid is directly available at the beginning of the semester.

Understanding the Loan Program

Borrowing student loans is a serious responsibility—borrow conservatively. Review the following information carefully and contact our office if you have any questions. For more detailed information, visit studentaid.gov

Subsidized Direct Loan

A federal student loan for which a borrower is not generally responsible for paying the interest while in an in-school, grace or deferment period. To qualify for a subsidized Direct Loan, you must demonstrate financial need.

Unsubsidized Direct Loan

A loan you are responsible for paying the interest on during in-school status, grace and deferment periods. You can postpone the interest payments while in school. The interest continues to accrue, and any unpaid interest will be capitalized (added to the principal balance) as you enter repayment.

Interest Rates

The interest rate for subsidized and unsubsidized loans is a fixed interest rate for the life of the loan. The interest rate for the 22-23 Academic Year is 4.99%.

Annual Loan Limits

The academic year is Fall Semester through Summer Semester.

Aggregate Loan Limits

Undergraduate Students	Base Sub Amount	Lifetime-Total	Dependent Students	Base Sub Amount	Additional Unsub Amount	Total
Dependent	\$3500	\$31000	Freshman	\$3500	\$2000	\$5000
Independent	\$4500	\$57500	Sophomore	\$4500	\$2000	\$6500
			Independent Students	Base Sub Amount	Additional Unsub Amount	Total
			Freshman	\$3500	\$6000	\$9500
			Sophomore	\$4500	\$6000	\$10500

Fees

The loan origination fee is deducted proportionately from each loan disbursement you receive while enrolled in school. The money you receive will be less than the amount you borrow. You are responsible for repaying the entire amount you borrowed and not just the amount you received.

Default

Default is the failure to repay your loan according to the terms disclosed on your promissory note. Students are in default on a Direct Loan if payments are more than 270 days past due or if you fail to comply with all other terms of the loan. When you are in default, the following may occur:

- The default will be reported to national credit bureaus,
- Recorded on your permanent credit record,
- Can significantly and adversely affect your credit history,
- You may be subjected to legal action by the loan servicer,
- Your wages may be garnished,
- You will be unable to receive additional federal or state financial aid—including student loans.

Return of Title IV Aid

When a Title IV Aid recipient withdraws from PVCC during a period of enrollment, PVCC must calculate the aid the student earned through the last date of attendance. Unearned aid (including loans) must be returned to the Title IV programs. Title IV Aid includes Pell Grant, SEOG, and Federal Direct and Federal PLUS loans. A return of funds calculation is processed when a student withdraws from PVCC before completing 60% of the period of enrollment for the semester. PVCC must return the money disbursed to the student. The student is required to repay the unearned portion of aid as determined by the U.S. Department of Education.

Federal Direct Loan Request Form

Complete and return this form to the PVCC Financial Aid Office to initiate the loan process. Before submitting this form please:

- » Successfully submit the 2022-2023 FAFSA
- » Register for at least six credit hours of Financial Aid Eligible courses
- » Meet Satisfactory Academic Progress (SAP)
- » Complete Entrance Loan Counseling & Master Promissory Note
- » Understand that the interest rate for the 2022-2023 Academic Year is 4.99%

Student Information

Citizenship Status: U.S. Citizen Eligible Non-Citizen: Alien Registration Number: Neither

Last Name First Name MI Student ID # SSN Last 4 XXX-XX-

Street Address City State ZIP Code Phone Number

Email Graduation Date Date of Birth

Loan Request

Loan Amount Requested \$.00 Loan amount will be reduced by 1.057% in origination fees. Subsidized Only Subsidized & Unsubsidized

Requested Loan Period: Fall 2022 Fall '22 & Spring '23 (Split) Spring 2023 Only

Date of Entrance Counseling: Date of Master Promissory Note:

Acknowledgments & Borrower Certification

Initials I acknowledge understanding that the Federal Direct Loan(s) will not be disbursed to my PVCC account until after the last day to drop and qualify for a refund has passed for all classes I am enrolled in for each semester. Disbursement will begin no earlier than mid-semester. No aid is available at the beginning of the semester.

I understand that to receive a Federal Direct Stafford Loan I must complete entrance counseling and a master promissory note. By signing below, I give Piedmont Virginia Community College permission to initiate the loan process for the academic year and to receive the proceeds of my Federal Direct Loan via the Electronic Funds Transfer process. Based on my continued eligibility, PVCC will apply these funds toward institutional charges for the specified terms. I understand that I must file a FAFSA, maintain enrollment in a minimum of six credit hours and repay this loan. I also understand that my Federal Direct Loan constitutes a debt that will enter repayment upon the expiration of my grace period (six months after I graduate), resign from PVCC, or otherwise drop below half-time enrollment. I understand that I may rescind this authorization at any time by providing written notification to the Financial Aid Office within 14 calendar days before the expected disbursement date as provided in the "Notice of Guarantee and Disclosure Statement" provided by my lender/guarantor.

Borrower Signature

Date

Student Loan Budget Worksheet (Optional)

College Costs	Student Semester Budget
Tuition & Fees	
Books	
Supplies	
Miscellaneous	
Equipment	
Total College Costs	
Income	Student Monthly Budget
Employment	
Grants	
Scholarships	
Work-Study Income	
College Savings Plan	
Miscellaneous	
Total Income	
Expenses	Student Monthly Budget
Housing	
Utilities	
Phone	
Food	
Emergency	
Day Care	
Car Expenses	
Miscellaneous	
Total Expenses	

If you pay some bills multiple months in advance, divide total payment by months paid to get the average monthly payment. For example, \$450 ÷ 6 months = \$75 per month

A. Calculate Net Income

Income – College Costs – Expenses = Net Income

\$.00

B. Multiply

Number of Months in a semester × Net Income

Add the Net Income together for each semester you are applying for.

Fall (4 Months) \$.00

Spring (5 Months) \$.00

C. Do you have enough to cover your expenses?

Yes No

D. If you answered No, how much do you need for the semester?

Fall \$.00

Spring \$.00

It can be helpful to use the total amount needed as the loan amount you want to request. Loan disbursements begins after the last day to drop a class with a refund; to begin no earlier than mid-semester. If you have any questions, please contact us by phone, email, or visit the Financial Aid Office.