

# SIMPSON COLLEGE

## 2025-2026 Federal Direct Loan Information Form

Student Name \_\_\_\_\_  
Last First Middle

Permanent Address \_\_\_\_\_  
Street Address City State Zip

The Office of Financial Aid is required to package your full student loan eligibility. However, we **STRONGLY** discourage you from borrowing the maximum amount to help ensure that you will have enough student loan funding to complete your degree.

**Do Not Over-Borrow.**

For the 2025-2026 academic year (fall and spring), I request to borrow:

\$ \_\_\_\_\_ Federal Subsidized Direct Loan

\$ \_\_\_\_\_ Federal Unsubsidized Direct Loan

Your signature authorizes the office of financial aid to process Federal Direct Loans in your name.

**Student Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

You only need to complete the two steps below if you are a **FIRST-TIME BORROWER** of Federal Direct Loans.

- Complete Master Promissory Note online at <https://studentaid.gov>
- Complete Direct Loan Entrance Counseling online at <https://studentaid.gov>

**Employer Reimbursement:** Complete this section if you receive Employer Reimbursement for tuition and/or books. Employer Reimbursement must be included in your financial aid notification.

Employer Name: \_\_\_\_\_

Reimbursement Period and Amount: \$ \_\_\_\_\_ Fall    \$ \_\_\_\_\_ Spring    \$ \_\_\_\_\_ Summer

### Miscellaneous Authorization

Federal regulations require Simpson College to collect your signature if you wish to allow your federal financial aid funds to cover miscellaneous charges. Miscellaneous charges may include any minor prior year balance, parking fees, book charges, or other related charges. This authorization is rescindable at any time by submitting written notice to the Office of Financial Aid. Your signature authorizes the use of your federal financial aid funds to cover miscellaneous charges.

**Student Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

Return this completed form by any of the following methods:

Mail  
 Simpson College  
 Office of Financial Aid  
 701 N C Street  
 Indianola, IA 50125

Email  
[finaid@simpson.edu](mailto:finaid@simpson.edu)

Fax  
 515.961.1300

Contact Allie Martinez, Loan Coordinator and Financial Aid Counselor, at 515-961-1621 if you have any questions about your rights and responsibilities or the terms and conditions of federal student loans.

**Important Terms to Know and Understand:**

- Borrower** The *borrower* for Federal Direct Loans is the student.
- Disbursement** Funds will be received by electronic funds transfer for the loan *disbursement* to the school. Disbursements are scheduled for distribution based on the loan period.
- Entrance Counseling** *Entrance counseling* is an online tutorial that teaches students about their Federal Direct Loans. This requirement may be met online at <https://studentaid.gov>
- Grace** The six-month *grace* period begins when the borrower ceases enrollment on at least a half-time basis. Federal Direct Subsidized borrowers will begin to accrue interest charges at the conclusion of the grace period. Full interest and principal repayment begin at the end of the six-month grace period.
- Interest** *Interest* is the charge you will pay for the privilege of borrowing student loans. Federal Direct Loan interest rates are set annually by the federal government. The interest rate for Subsidized and Unsubsidized Direct Loans is 6.53% fixed. \*
- Master Promissory Note** The standard promissory note for Federal Direct Loans, referred to as an *MPN*. The Federal Direct Loan Master Promissory Note may be completed online at <https://studentaid.gov>.
- Origination Fee** An *origination fee* is charged by the U.S. Department of Education for Federal Direct Loans. The origination fee\* is deducted from the loan proceeds delivered to Simpson College. Loan origination fees are set by the federal government and were 1.057% for Federal Direct Loans at the time of publication.
- Servicer** The federal government will assign your loan(s) to another organization for servicing at no expense to you. Your loan servicers will work with you on repayment options (such as income-driven repayment plans and loan consolidation) and will assist you with other tasks related to your federal student loans.
- Subsidized Loans** The federal government pays the interest on Federal Direct *Subsidized* Loans while the student is enrolled at least half-time. Interest accrual begins when the student enters repayment.
- Unsubsidized Loans** Federal Direct *Unsubsidized* Loans begin accruing interest at disbursement. The borrower may make interest payments or allow interest to accrue during the in-school period. Unpaid interest will capitalize at repayment.

**Estimated Repayment Information for Federal Direct Loans:**

6.53% Fixed-interest rate			
Balance at repayment	Number of payments	Estimated payment amount	Total cost of the loan on standard repayment plan
\$1,000	21	\$50	\$1,062
\$5,500	120	\$63	\$7,504
\$10,000	120	\$114	\$13,644
\$15,000	120	\$171	\$20,466
\$20,000	120	\$227	\$27,288
\$25,000	120	\$284	\$34,110
\$30,000	120	\$341	\$40,932

The interest rate for Federal Direct Loans is 6.53% fixed. \* The minimum monthly payment amount is \$50 under the 10-year Standard Repayment Plan but may be more depending on how much you borrow.

On average, undergraduate students at Simpson College borrow \$22,636 in Direct Loans with an estimated \$257 monthly payment. The chart above provides estimated monthly payment amounts based on levels of Federal Direct Loan indebtedness at a 6.53% fixed interest rate.

\*Interest rates and origination fees are set annually by the federal government. The interest rates and fees listed above were accurate at the time of publication.