## SIMPSON COLLEGE

## 2025-2026 Federal Direct Loan Information Form

Student Name							
Last	Firs	First		Middle			
Permanent Address							
	Street Address	City	State	Zip	<del></del>		
The Office of Financial Aid is required to package your full student loan eligibility. However, we <b>STRONGLY</b> discourage you from borrowing the maximum amount to help ensure that you will have enough student loan funding to complete your degree. <b>Do Not Over-Borrow.</b>							
For the 2025-2026 academic year (fall	and spring), I request	to borrow:					
\$ Federal Unsub	osidized 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 <a href="FIRST-TIME BORROWER">FIRST-TIME BORROWER</a> of Federal Direct Loans.  Complete Master Promissory Note online at <a href="https://studentaid.gov">https://studentaid.gov</a> Complete Direct Loan Entrance Counseling online at <a href="https://studentaid.gov">https://studentaid.gov</a> 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: \$_				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 o	f the following method	ods:					
Mail Simpson College Office of Financial Aid 701 N C Street	Email finaid@sii	mpson.edu	<u>Fax</u> 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.

Indianola, IA 50125

## **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 is an online tutorial that teaches students about their Federal Direct Loans. This requirement **Entrance** Counseling

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 8.08% fixed. \*

Master **Promissorv** 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 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 Fee

and were 1.057% for Federal Direct Loans at the time of publication.

The federal government will assign your loan(s) to another organization for servicing at no expense to you. Your loan Servicer

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** 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. Loans

Unsubsidized Federal Direct Unsubsidized Loans begin accruing interest at disbursement. The borrower may make interest Loans payments or allow interest to accrue during the in-school period. Unpaid interest will capitalize at repayment.

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

8.08% 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	\$1,078		
\$5,500	120	\$67	\$8,036		
\$10,000	120	\$122	\$14,610		
\$15,000	120	\$183	\$21,915		
\$20,000	120	\$244	\$29,220		
\$25,000	120	\$304	\$36,525		
\$30,000	120	\$365	\$43,830		

The interest rate for Federal Direct Loans is 8.08% 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 \$35,811 in Direct Loans with an estimated \$436 monthly payment. The chart above provides estimated monthly payment amounts based on levels of Federal Direct Loan indebtedness at a 8.08% fixed interest rate.

<sup>\*</sup>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.