

Federal Direct Loan Information Form 2021-2022

4E

Student name _____
Last First Middle

Permanent address _____
Street address City State Zip

The Office of Financial aid is required to offer your full student eligibility. However, we strongly discourage you from borrowing the max amount to help ensure that you will have enough student loan funding to complete your degree. **DO NOT OVER-BORROW.**

For the 2021-2022 academic year (FALL AND SPRING), I request to borrow:

\$ _____ Subsidized Direct Loan Amount

\$ _____ Unsubsidized Direct Loan Amount

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 Federal Direct Loan Agreement (MPN) online at <https://studentaid.gov>
- Complete Federal 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

Fax
515.961.1300

Questions? 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 loans 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** This six-month grace period begins when the borrower ceases enrollment on at least a half-time basis. Interest accrues on Unsubsidized Direct Loans during the grace period. Full interest and principal payment begins at the end of the six-month grace period.
- Interest** Interest is the charge that you will pay for the privilege of borrowing student loans. Unsubsidized Direct Loan Interest rates are set annually by the federal government. The interest rate is currently 2.75% fixed.
- Master Promissory Note** The standard promissory note for Federal Direct Loans, referred to as 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 Direct Loans at the time of publication.
- Servicer** Lenders will often work with another organization to service students' loans or may sell the loan to a servicer. The Servicer may disburse the loan in repayment, provide interest billing to the borrower, and provide deferment Forms. There are several different servicers performing these duties on behalf of the federal government in the Federal Direct Loan program.
- 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:

2.75%% Fixed Interest Rate		
Balance at Repayment	Number of Payments	Estimated Payment Amount
\$1,000	21	\$50
\$5,500	120	\$52
\$10,000	120	\$95
\$15,000	120	\$143
\$20,000	120	\$191
\$25,000	120	\$239
\$30,000	120	\$286

The interest rate for Unsubsidized Direct Loans is 2.75% 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, graduate level students at Simpson College borrow \$24,027 in Federal Direct Loans with an estimated \$249 monthly payment. The chart above provides estimated monthly payment amounts based on levels of Federal Direct Loan indebtedness at a 2.75% 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.