



VENTURA COLLEGE FINANCIAL AID OFFICE

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2013-14 FEDERAL DIRECT LOAN INFORMATION

Ventura College participates in the William D. Ford Federal Direct Loan Program. **The U.S. Department of Education is the lender for the William D. Ford Federal Direct Loan Program.**

We take our obligation to provide applicants with information about borrowing a student loan seriously. Applicants are educated about borrowing a loan and are expected to read all the materials and borrow wisely. This is a loan, it not a grant and must be paid back. The loan is to be used for educational related expenses at Ventura College (VC). Loans must be repaid with interest so it is important to understand your rights and responsibilities as a borrower. All borrowers are required to complete Loan Entrance Counseling before we may certify a loan.

THERE ARE TWO TYPES OF STUDENT DIRECT LOANS:

Subsidized Loans are available to students who meet certain financial need criteria. Direct Subsidized loans will no longer be eligible for an interest subsidy during the six-month grace period. You will be responsible for the interest that accrues while your loan is in the grace period. You do not have to make payments during the grace period (unless you choose to) but the interest will be added (capitalized) to the principal amount of your loan when the grace period ends.

Unsubsidized Loans are available to students regardless of financial need. You are responsible for the interest that accumulates on an unsubsidized loan while you attend school, during the grace period and during any periods when you are authorized to defer your loan payments. You have the option to pay the interest during school or postpone payment. If you postpone payment, the interest will be added to your principal balance. This addition of interest to your principal balance is known as capitalization.

Annual Maximum Student Loan Limits

Federal law specifies annual loan limits on Federal Direct Loans based on your year in college and your dependency status. At Ventura College, you must have completed 30 college level units toward your program of study to be considered a second year student. If you don't have 30 units at Ventura College but had units elsewhere and you want to be considered a second year student, outside transcripts must be submitted and evaluated by Ventura College's Admissions and Records Office.

Dependent Student			
Grade Level	Base Amount	Additional Unsubsidized	Total
1 st Year	\$3,500	\$2,000	\$5,500
2 nd Year	\$4,500	\$2,000	\$6,500
Undergraduate Aggregate Loan Limit \$31,000 (no more than \$23,000 may be subsidized)			

Independent Student			
Grade Level	Base Amount	Additional Unsubsidized	Total
1 st Year	\$3,500	\$6,000	\$9,500
2 nd Year	\$4,500	\$6,000	\$10,500
Undergraduate Aggregate Loan Limit \$57,500 (no more than \$23,000 may be subsidized)			

Annual Interest Rates

The interest rate is fixed at 6.8% for all borrowers.

Prior Federal Loans and Financial Aid History— If you currently have a Stafford Loan and would like to check the interest rate, servicer information, and other financial aid history, go to the [National Student Loan Data System](#).

Interest rate cap for military members— If you qualify under the Service Members Civil Relief Act, the interest rate on loans you obtained before entering military service may be capped at 6% during your military service. You must contact your loan servicer to request this benefit.

In addition, we do not charge interest (for a period of no more than 60 months) on Direct Loans first disbursed on or after October 1, 2008, while a borrower is serving on active duty or performing qualifying National Guard duty during a war or other military operation or other emergency, and serving in an area of hostilities qualifying for special pay.

Other than interest, is there a charge for this loan?

There is a loan fee on all Direct Subsidized and Unsubsidized Loans. The loan fee is a percentage of the amount of each loan you receive. For loans first disbursed on or after July 1, 2013, the loan origination fee is 1.051%. We will deduct the loan origination fee proportionately from each loan disbursement. The specific loan origination fee that you are charged will be reflected in a disclosure statement that we send to you.

Loan Disbursements

Direct Stafford Loans are issued to students in multiple disbursements. Stafford borrowers will be charged loan fees which are deducted from the loan proceeds and are used to cover the costs of loan defaults and other administrative costs of the Direct Loan Program. After your loan has been certified, you will receive a Loan Disclosure Statement with pertinent information regarding your loan, including disbursement dates, deducted fees, and net disbursement amounts.

Half-time enrollment (6 to 8 ½ units) must be maintained and is verified before each loan disbursement.

If you are a first-year, first-time loan borrower there will be a 30 day delay in your first loan disbursement.

Loan Request Deadlines

Fall Only: **November 27, 2013***

Spring Only: **April 17, 2014***

Summer Only: **June 19, 2014***

***Loan requests received after the application deadline will not be processed**

[Click here to download Federal Direct Loan Request Application PDF Version](#)

Loan Exit Counseling:

Federal regulations require that all student borrowers who graduate, withdraw, or drop below half time enrollment complete [loan exit counseling](#). Always notify your lender of your current address, phone number and contact information in a timely manner. The [National Student Loan Data System](#) (NSLDS) website has the most current contact information for the Holder/Servicer of your loan(s).

Deferment or Forbearance

A Deferment or Forbearance allows you to temporarily postpone making your federal student loan payments or to temporarily reduce the amount you pay.

Under certain circumstances, you can receive a deferment or forbearance that allows you to temporarily postpone or reduce your federal student loan payments. Postponing or reducing your payments may help you avoid default. You'll need to work with your loan servicer to apply for deferment or forbearance; and be sure to keep making payments on your loan until the deferment or forbearance is in place.

How do I request a deferment?

Most deferments are not automatic, and you will likely need to submit a request to your loan servicer, the organization that handles your loan account. If you are enrolled in school at least half-time and you would like to request an in-school deferment, you'll need to contact your loan servicer. Your deferment request should be submitted to the organization to which you make your loan payments.

How do I request forbearance?

Receiving loan forbearance is not automatic. You must apply by making a request to your [loan servicer](#). In some cases, you must provide documentation to support your request.

DEFAULT - Don't ignore your student loan payments. Loans must be repaid.

If you don't make your loan payments, you risk going into default. Defaulting on your loan has serious consequences. Your school, the financial institution that made or owns your loan, your loan guarantor, and the federal government all can take action to recover the money you owe.

There are steps you can take to repay your federal student loan successfully and avoid going into default. Understanding your loan agreement, staying on top of your loan information, and making sure to contact your loan servicer if you are having trouble making payments can help you avoid default.

When placed in default, any William D. Ford Federal Direct Loan (Direct Loan) Program loan or Federal Family Education Loan (FFEL) Program loan that is owned by the U.S. Department of Education (ED) is assigned to ED's [Default Resolution Group](#) for collection. Defaulted FFEL Program loans that are not owned by ED will be assigned to a guaranty agency for collection.

If you are unsure which type(s) of loan(s) you have, check your original loan documents or use the [National Student Loan Data System \(NSLDS®\)](#). Note that information about any private student loan you may have received will not be included in NSLDS.

Don't get discouraged if you are in default on your federal student loan. You have several options for getting your loan out of default. These include

[loan repayment](#)

[loan rehabilitation](#)

[loan consolidation](#)

Loan consolidation allows you to pay off the outstanding combined balance(s) for one or more federal student loans to create a new single loan with a fixed interest rate.

Work with your loan servicer to choose a federal student loan repayment plan that's best for you.

To make your payments more affordable, repayment plans can give you more time to repay your loans or be based on your income. Use the Repayment Calculator at www.studentloans.gov, Managing Repayment Tab >>Repaying Your Loans.

For additional information on these subjects, please go to www.studentloans.gov