



# EAST CENTRAL

COMMUNITY COLLEGE

Office of Financial Aid  
P.O. Box 129  
Decatur, MS 39327

Dear Student,

East Central Community College participates in the William D. Ford Direct Loan Program. This program offers 3 types of federal student loans. The three loan types for which you could have eligibility include the following:

1. **Direct Subsidized Loan-** This loan is based on financial need and is determined by using the Dept. of Education's formula. A loan is considered subsidized when the government pays the interest, at the rate of 4.99%, when you are enrolled in school at least half time or during authorized deferment periods.
  - On July 6, 2012, the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) was enacted. MAP-21 added a new provision to the Direct Loan statutory requirements that limits a first-time borrower's eligibility for Direct Subsidized Loans to a period not to exceed 150 percent of the length of the borrower's educational program. Only first-time borrowers on or after July 1, 2013 are subject to the new provision.
2. **Direct Unsubsidized Loan-** This loan is not based on financial need and is not subsidized by the federal government. You would be responsible for the interest at a fixed rate of 4.99%. This interest can be paid or capitalized while you are in school. Capitalizing the interest increases the amount of debt and thought should be given when making decisions whether to pay the interest as it accrues or to capitalize that interest.
3. **Direct Plus (Dependent students only)-** This loan is borrowed under the parent's name and is a debt that would be incurred by the parent. This loan would have a fixed rate of 7.54%.

#### ❖ STEPS TO PROCESSING YOUR STUDENT LOAN REQUEST:

- ❖ Go to <https://studentaid.gov> to complete **steps 1, 2, & 3**. Click on the box that reads "**Log In.**" (**Note:** You will need your **FSA I.D.** in order to log in.) Steps 1-3 can be found on the right side of the web page or by hovering your mouse over "Complete Aid Process".
  - **Step 1: Master Promissory Note –may be used up to 10 years**  
An MPN must be completed and received by your lender before loan funds can be electronically sent to the school. Once a student signs the MPN, the student has made a binding agreement that indicates the student's commitment to repay their student loans.
  - **Step 2: Complete Entrance Counseling** (Scroll down and it's on the right side under "Quick Links.")
  - **Step 3: Complete the Annual Student Loan Acknowledgement** (scroll down and it's on the right side of the web page)
  - **Step 4: Student Loan Request Form - required for student to be considered for a student loan** (Available in the Financial Aid Office or online at [ecc.edu/federal-student-loans](http://ecc.edu/federal-student-loans).)

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### *Annual Loan Limit*

<b>Dependent</b>	<b>Freshman</b>	<b>Sophomore</b>
Direct Subsidized	\$3,500	\$4,500
Direct Unsubsidized	\$2,000	\$2,000
Total	\$5,500	\$6,500
<b>Independent</b>	<b>Freshman</b>	<b>Sophomore</b>
Direct Subsidized	\$3,500	\$4,500
Direct Unsubsidized	\$6,000	\$6,000
Total	\$9,500	\$10,500

**NOTE:** To be considered a Sophomore, you must have earned 30 college credits in your current degree program.

Once these loan steps are completed, ECCC will determine your eligibility and if eligible, process your student loan. The maximum amount that a student may borrow is the ECCC cost of attendance as determined by the Financial Aid Office minus any other (scholarships, grants, etc). The cost of attendance will be adjusted based on enrollment. You will receive an award letter from ECCC stating the amount of your student loan funds for the semester(s) requested. The award letter will only need to be returned if you are declining the amounts that are listed on the award letter.

**\*\*\*Please remember that you must be enrolled in and in attendance in at least 6 credit hours in order to be eligible to receive a student loan.**

**Disbursement of Loan Money-**When federal student loan funds have been disbursed to the college, the student will receive an e-mail notification from the student loan officer. All correspondence regarding the disbursement of the federal student loan will be sent to the student's email address as reported on the student's FAFSA. Please allow ECCC at least 14 days from the date of disbursement to process those funds. Once the loan funds are processed and your account is paid, any refund for which you are eligible will be delivered through BankMobile. To learn more about BankMobile, contact the Business Office at 601-635-6208.

Loans are borrowed funds that must be paid back. **The student loan will enter into repayment 6 months after the student graduates, withdraws, or drops below six (6) hours.** Borrowers who have difficulty making loan payments should contact the lender as soon as possible to see which options are available to them. Some of the options borrowers can take advantage of to avoid a default are: alternative repayment plans to lower monthly payments, loan forgiveness and discharge programs that cancel loan obligations, and deferments and forbearances to temporarily suspend monthly payments.

Failure to repay your student loan will result in a default. A default generally occurs on a federal student loan when a borrower does not make a payment for 270 days. During the delinquency period, the servicer will make repeated efforts to locate and contact the borrower about repayment. If the lender is unsuccessful, steps will be taken to place the loan in default. Borrowers should avoid default at all costs because, unlike consumer loans, student loans can't be discharged through bankruptcy and will stay with the borrowers for the rest of their lives. A borrower with a defaulted loan faces these consequences:

- Payment of entire loan balance (principal and interest) becomes due immediately
- Garnished wages and federal and/or state tax refunds

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- Withheld Social Security retirement benefits and disability benefits
- Additional charges, late fees, and collection costs
- Lawsuits
- Ineligibility for additional student aid
- Damaged credit rating and lower credit score (which could prevent obtaining a mortgage, buying a car, or borrowing other consumer loans in the future)
- Loss of eligibility for a loan deferment (such as for in-school, unemployment, etc.)

Listed below is an estimated payment chart.

## William D. Ford Federal Direct Loan Program Direct Unsubsidized Loan Borrower's Rights and Responsibilities Statement

### Repaying Your Loans<sup>1</sup>

Initial Debt When You Enter Repayment	Standard		Extended <sup>2,3</sup>		Graduated		Income Contingent <sup>5,6</sup> Income = \$15,000				Income Contingent <sup>5,6</sup> Income = \$15,000				Income Contingent <sup>5,6</sup> Income = \$15,000			
	Per Month	Total	Per Month	Total	Per <sup>4</sup> Month	Total	Single		Married/HOH <sup>7</sup>		Single		Married/HOH <sup>7</sup>		Single		Married/HOH <sup>7</sup>	
							Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
3,500	50	4,471	Not Available		25	5,157	21	6,939	20	6,673	27	6,092	25	6,405	36	5,128	36	5,128
5,000	58	6,905	Not Available		40	7,278	30	9,912	29	9,533	38	8,703	36	9,150	51	7,326	51	7,326
5,500	63	7,595	Not Available		43	8,007	33	10,903	30	10,463	42	9,574	40	10,065	56	8,059	56	8,059
7,500	86	10,357	Not Available		59	10,919	45	14,868	30	14,019	57	13,055	54	13,725	76	10,989	76	10,989
10,500	121	14,500	Not Available		83	15,283	64	20,815	30	18,877	80	18,277	76	19,215	107	15,385	107	15,385
15,000	173	20,714	Not Available		119	21,834	87	29,685	30	25,229	114	26,110	108	27,451	153	21,978	153	21,978
18,500	213	25,548	Not Available		146	26,929	87	35,992	30	29,465	140	32,203	134	33,856	188	27,106	188	27,106
23,000	265	31,762	Not Available		182	33,479	87	43,141	30	34,128	174	40,036	166	42,091	234	33,699	234	33,699
30,000	345	41,429	Not Available		237	43,668	87	52,340	30	39,756	228	52,221	197	55,743	407	43,956	407	43,956
40,000	460	55,239	277	83,289	316	58,229	87	62,005	30	44,827	253	72,717	197	84,352	468	58,608	468	58,608
46,000	529	63,524	319	95,782	363	66,956	87	66,084	30	46,378	253	89,828	197	105,472	509	67,399	509	67,399
50,000	575	69,048	347	104,111	395	72,778	87	68,153	30	46,860	253	103,268	197	111,575	587	73,260	587	73,260
60,000	690	82,858	391	140,816	474	87,334	87	71,219	30	46,934	253	136,615	197	124,085	587	88,251	587	88,251
70,000	806	96,667	456	164,285	535	101,890	87	71,721	30	46,934	253	148,551	197	133,106	587	106,551	587	106,551
80,000	920	110,477	522	187,754	632	116,445	87	71,721	30	46,934	253	157,373	197	138,907	587	128,146	587	128,146
90,000	1,036	124,287	587	211,224	711	131,002	87	71,721	30	46,934	253	163,227	197	141,925	587	152,967	587	152,967
100,000	1,151	138,096	652	234,693	790	145,556	87	71,721	30	46,934	253	166,457	197	142,386	587	181,224	587	181,224
110,000	1,266	151,906	717	258,162	869	160,111	87	71,721	30	46,934	253	167,172	197	142,386	587	213,485	587	213,485
120,000	1,381	165,716	782	281,632	948	174,668	87	71,721	30	46,934	253	167,172	197	142,386	587	250,281	587	250,281
130,000	1,496	179,525	848	305,101	1,024	189,224	87	71,721	30	46,934	253	167,172	197	142,386	587	292,313	587	292,313
138,500	1,594	191,264	903	325,050	1,094	201,596	87	71,721	30	46,934	253	167,172	197	142,386	587	332,912	587	332,912

1\*The estimated payments were calculated using a fixed interest rate of 6.80%. 2\*This repayment plan is available only to borrowers who have an outstanding balance on Direct Loan Program loans that exceeds \$30,000, and who had no outstanding balance on a Direct Loan Program loan as of October 7, 1998 or on the date they obtained a Direct Loan Program loan on or after October 7, 1998. 3\*These amounts are fixed, rounded to the nearest dollar, and calculated based on a 25-year repayment term. 4\*This is your beginning payment, which may increase during your 10-year repayment term. 5\*Assumes a 5% annual income growth (Census Bureau).6\*The payments were calculated using the formula requirements in effect during 2006.7\*HOH is Head of Household; assumes a family size of two.



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## 2022-2023 Loan Request

Name		ID number	
Address		Social Security #	
City		Phone number	
State		Email	
Zip			

**Indicate Attending Semesters (Please check one of the following)**

<input type="checkbox"/> Fall 2022/Spring 2023* * Amount will be divided in half	<input type="checkbox"/> Fall 2022 only	<input type="checkbox"/> Spring 2023 only
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I plan to be enrolled in \_\_\_\_\_ hours each semester.

**Loan amount will be based on enrollment.**

**Requested Loan Dollar Amount (the word "MAXIMUM" is not acceptable)**

*Eligible loan amounts are based on additional aid received therefore eligible loan amounts are subject to change. The requested loan amount will be divided between Fall & Spring. **Upon receipt of the loan funds, you must be actively enrolled in at least 6 hours.** Base amount will be Subsidized, Unsubsidized or a combination of both.*

**Ombudsman Disclosure**

*If I have contacted my school, lender and guarantor regarding a dispute on my loan(s) and the dispute has not been resolved, I may contact the Department of Education's Student Loan Ombudsman's Office. An ombudsman is available as a neutral party to work with you and all agencies involved and assist in resolving disputes. The Ombudsman may be contacted at: U.S. Department of Education, FSA Ombudsman, 830 First Street, N.E., Mail Stop 5144, Washington, DC 20202-5144 or telephone (877)557-2575.*

**Please Return Form To:  
ECCC Financial Aid  
P.O. Box 129  
Decatur, MS 39327  
Phone: (601) 635-6380**

**I authorize East Central Community College to process my Federal Direct Loan Request. I understand that if I drop below six (6) credit hours then it will result in the cancellation of my student 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, withdraw, or drop below six (6) hours.**

Student Signature: \_\_\_\_\_ Date: \_\_\_\_\_