

## SUMMER 2024 FEDERAL DIRECT STUDENT LOAN REQUEST

Complete the Free Application for Federal Student Aid (FAFSA) prior to requesting a Federal Direct Student loan. The FAFSA can be filed online by going to <https://studentaid.gov/h/apply-for-aid/afsa>.

A first-time Federal Direct Student loan borrower must complete the Master Promissory Note (MPN). The MPN is signed electronically on the web at <https://studentaid.gov/mpn/> using your Federal Student Aid (FSA) ID. Be sure to complete all steps. Your FSA ID is the same username and password that you use to sign your Free Application for Federal Student Aid (FAFSA). If you do not remember or have not created an FSA ID, you can create or retrieve it at <https://studentaid.gov/fsa-id/create-account/launch>. If you completed the MPN for a previous college, you would need to log back into <https://studentaid.gov/> and select Germanna to receive notification the MPN has been completed.

Complete Undergraduate Entrance Counseling Session. The Direct Loan Entrance Counseling session for undergraduate subsidized and unsubsidized loans must be completed online at <https://studentaid.gov/entrance-counseling/>. If you completed the EC for a previous college, you would need to log back into [studentaid.gov](https://studentaid.gov/) and select Germanna to receive notification the EC has been completed.

Submit the completed Direct Student Loan Request Form to the Financial Aid Office. Standard processing time for loan applications is 7 - 14 business days. During peak periods, loan processing takes additional time. Please submit your loan request early to avoid delays.

### IMPORTANT NOTES

1. It is not necessary to select a lender for the Federal Direct Student Loan. Germanna Community College is a direct lending school, and the loan is available through the Federal Direct Student Loan Program with the U.S. Department of Education. Information regarding the loan will be submitted to the National Student Loan Data System (NSLDS), and will be accessible by guaranty agencies, lenders, and schools determined to be authorized users of the data system.
2. Please note that the Bipartisan Student Loan Certainty Act of 2013 implemented variable-fixed interest rates on newly originated undergraduate subsidized and unsubsidized loans effective July 1, 2013. Interest rates are determined annually based on the Final Auction of the 10-year U.S. Treasury Bill prior to June 1st and are not to exceed 8.25%. For the 2023-2024 aid year, the interest rate for subsidized and unsubsidized loans is 5.50%. You can review the interest on Federal Direct Student loans on [studentaid.gov](https://studentaid.gov).
3. You may choose to pay interest on your Federal Direct Student Unsubsidized loan while you are in school. If you choose not to pay the interest while you are in school, the interest will be added to the unpaid principal amount of your loan. This is called "capitalization," and it can substantially increase the total amount you must repay. Paying the interest as it accrues on your loan while you are in school or during the grace period will save you money. This is also true if you pay any interest that accrues during periods of deferment or forbearance.
4. The Federal Direct Loan MPN must be completed for the initial student loan, but not for subsequent loans. You will need to submit notification of the MPN being completed to the college you attend. The FAFSA and Student Loan Request Form must be completed each year. If you have funds left over from the fall and/or spring semester and will attend the summer semester, a separate loan form for the summer semester would need to be filled out as well.
5. Approval or denial of the Direct Student Loan is at the discretion of the Financial Aid Office. We reserve the right to deny a loan due to academic deficiency, evidence of improper utilization of the funds, or demonstration of the inability to manage loan debt. You can view the Right to Deny or Limit Loan Amounts Request information [here](#) under the Federal Direct Student Loans and Parent PLUS loans tab.
6. Loan request form priority dates are as follows: **Fall semester- June 30<sup>th</sup>, Spring semester- November 30<sup>th</sup>, and Summer semester- April 25<sup>th</sup> of every year.** Loan requests will be accepted after these dates; however, loan funds may be delayed. **Please be prepared to make other arrangements to pay for your institutional charges.** Once the loan is approved and awarded, you may be eligible for a refund.
7. **Loan funds will not disburse until all requirements are complete.** Failure to complete all requirements within 30 days of the beginning of the first term of enrollment will result in the cancellation of your loan and any balance will be immediately due to the college. Students can check for processing requirements through their myGCC account at <http://gcc.my.vccs.edu/>
8. Students have the right to cancel or reduce all or part of the student loan prior to the first day of the semester or within 14 days of notification of disbursement of the loan by submitting a written statement to the Financial Aid Office or by completing a Federal Direct Student Loan Adjustment Form as soon as possible before disbursement. A parent may not decline a student loan.

