

# DIRECT LOAN INFORMATION

***If you're a first-time borrower of a Direct Subsidized Loan or a Direct Unsubsidized Loan, you must complete entrance counseling and Master Promissory Note before you receive your first loan disbursement.***

## **To complete your Entrance Counseling and Master Promissory Note:**

1. Go to [www.studentloans.gov](http://www.studentloans.gov) and click "Log In."
2. Sign in with your FSA ID. If you do not have an FSA ID you will need set one up by clicking the link "Create an FSA ID"
3. Once logged in, click on "Complete Loan Counseling"
4. Select Start Entrance Counseling
5. Make sure you select Indian Hills Community College-OTT as your school and then select if you are an undergraduate or graduate or professional student
6. From there, follow all on screen instructions to complete your Entrance Counseling, this can take 20-30 minutes to navigate through.
7. Once your Entrance Counseling is completed you will navigate back to the main page, from there you will then select "Complete Loan Agreement (Master Promissory Note)" select the "MPN for Subsidized/Unsubsidized Loans" and follow all on screen instructions making sure you select Indian Hills Community College-OTT as your school.
8. Once completed, print the confirmation page for your records.

## **What is Entrance Counseling?**

If you have not previously received a Direct Loan or Federal Family Education Loan (FFEL), the Federal Government requires you to complete entrance counseling to ensure that you understand the responsibilities and obligations you are assuming. Entrance Counseling is required before you can receive your first Direct Subsidized Loan, or Direct Unsubsidized Loan as an undergraduate, or your first Direct PLUS Loan as a graduate/professional student.

## **Who has to Complete Entrance Counseling?**

The federal government mandates that first-time borrowers receive entrance counseling before their loans can be disbursed. You need to complete this counseling **only once** while attending IHCC. All students taking out Direct Subsidized Loans or Direct Unsubsidized Loans: If you have not previously received a subsidized or unsubsidized loan under the Direct Loan Program or a subsidized or unsubsidized Stafford Loan under the Federal Family Education Loan (FFEL) Program, you'll be required to complete entrance counseling.

## **What is a Subsidized/Unsubsidized MPN?**

The Master Promissory Note (MPN) is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). **If you are taking out a Direct Loan, you must sign an MPN under any of the following circumstances:**

- You have never previously signed an MPN for the type of loan you are taking out.
- You signed an MPN more than one year ago, but no loan was disbursed.
- You signed an MPN more than 10 years ago.

## What is Exit Counseling?

Exit counseling provides important information to prepare you to repay your federal student loan(s). Exit Counseling is required when you graduate, leave school, or drop below half-time enrollment. Exit Counseling provides important information to prepare you to repay your federal student loan(s). To complete Exit Counseling go to [www.studentloans.gov](http://www.studentloans.gov)

## To Accept or Decline Your Loans Online:

Log into your WebAdvisor Account. Once logged in, select "Students" then "Financial Aid Checklist." Select the appropriate award year, and "Review and accept your Financial Aid Award Package" if the preceding checklist items have been completed. **In addition, please be advised that you have the right to cancel or reduce your loan(s) by contacting the OneStop.**

## TIME LIMITATION ON DIRECT SUBSIDIZED LOAN ELIGIBILITY FOR FIRST-TIME BORROWERS ON OR AFTER JULY 1, 2013

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) for which you can receive Direct Subsidized Loans. In general, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program of study. This is called your "maximum eligibility period."

After you have received Direct Subsidized Loans for your maximum eligibility period, you are no longer eligible to receive additional Direct Subsidized Loans. You may continue to receive Direct Unsubsidized Loans. In addition, you will become responsible for paying the interest that accrues on your Direct Subsidized Loans during all periods if you: continue to be enrolled in any undergraduate program after you have received Direct Subsidized Loans for your maximum eligibility period, or enroll in another undergraduate program that is the same length as or shorter than your previous program. Your federal Loan Servicer will notify you if you become responsible for paying all of the interest that accrues on your Direct Subsidized Loans.

## MAXIMUM ANNUAL FEDERAL DIRECT LOAN AMOUNTS

	<u>DEPENDENT STUDENT</u>	<u>INDEPENDENT STUDENT</u>
1st YEAR	\$ 3,500 SUB &/or UNSUB	\$ 3,500 SUB &/or UNSUB
	+ \$ 2,000 Additional UNSUB	+ \$ 6,000 Additional UNSUB
	\$ 5,500 TOTAL MAXIMUM LOAN	\$ 9,500 TOTAL MAXIMUM LOAN
2nd YEAR	\$ 4,500 SUB &/or UNSUB	\$ 4,500 SUB &/or UNSUB
	+ \$ 2,000 Additional UNSUB	+ \$ 6,000 Additional UNSUB
	\$ 6,500 TOTAL MAXIMUM LOAN	\$ 10,500 TOTAL MAXIMUM LOAN

*You must have successfully completed at least 24 credit hours in an eligible program to be considered a 2nd year student.*

### Office of Financial Assistance-Main Campus

Bennett Student Services Bldg.  
Indian Hills Community College  
525 Grandview Avenue  
Ottumwa, IA 52501  
800.726.2585, ext. 5262  
641.683.5262

### Centerville Campus

Enrollment Services  
Indian Hills Community College  
721 North 1st Street  
Centerville, IA 52544  
800.670.3641, ext. 2200  
641.856.2143, ext. 2200