

## Mt. San Jacinto College Student Loan Information Guide

Are you planning on requesting a student loan at Mt. San Jacinto College during the 2021-2022 Academic Year? If so, this guide is designed to assist you in understanding the Federal Direct (Subsidized and Unsubsidized) Loan Program, as well as the loan request process at Mt. San Jacinto College.

These loans, which are part of the Federal Direct Loan (DL) Program, assist students with their educational expenses by borrowing directly from the Department of Education (DOE). We want to make sure you understand that all student loans **must be repaid**, with interest, and should only be requested after you have exhausted all other resources of financial assistance (grants, student employment, etc...). **This is not a grant and does have to be repaid back.**

### Steps to Apply:

To apply for a Direct Student Loan at Mt San Jacinto College, make sure to complete **ALL** of the following requirements **PRIOR** to turning in your loan request form. Direct Loans must be applied for through the Mt. San Jacinto College Financial Aid Office in order to be originated with the Department of Education. **Failure to meet ALL the following requirements will delay any loan processes and disbursements, if determined eligible.**

- Completed your FAFSA and list Mt. San Jacinto College school code, 001246
- Submit all of your 2021-22 missing documents with Mt. San Jacinto College. Required documents are listed on the Financial Aid Self-Service Portal at: <https://cssweb.msjc.edu/css/>
- You have received your final award notification of financial assistance for the 2021-2022 academic year from Mt. San Jacinto College. This arrives via your MSJC student e-mail and you can review your award letter on Self Service.
- Currently enrolled in an eligible Program of Study and a current Student Educational Plan (SEP) is **on file** with this program information.
- You are enrolled in at least 6-degree applicable units (*Although you may be registered, you must be in attendance and your classes must have already started*).
- You are meeting the Satisfactory Academic Progress (SAP) Standards. Our SAP standard may be viewed at [SAP Policy](#)
- You cannot be in default or owe an overpayment to any financial assistance program.
- Contact the Financial Aid Office to schedule an appointment with the Loan Coordinator.
- Complete Loan Counseling Intake Form and submit during Student Loan Counseling Appointment.
- You have completed and passed the Loan Entrance Counseling listing Mt. San Jacinto College online at <https://studentaid.gov/> prior to applying for your loan. Additional information is available in this guide.
- You have completed your Master Promissory Note (MPN) listing Mt. San Jacinto College online at <https://studentaid.gov/mpn/> prior to applying for your loan. Failure to complete your MPN will result in your loan not being processed.

Once you have met **ALL** of the above requirements, you can complete and submit your student loan request form to the Loan Coordinator. Failure to meet any of the above requirements will delay the processing of your loan funds.

## What is Entrance & Exit Counseling and when do I take them?

Mt. San Jacinto College requires that all students who are applying for the first-time complete Entrance Counseling **prior** to submitting the loan request form. The Exit Counseling is taken **after** leaving Mt. San Jacinto College or falling below half-time enrollment (6 units).

### **Entrance Counseling:**

- All first-time college students borrowing a Federal Direct Loan are to complete and pass the online [Entrance Counseling](#). Log in with your verified FSAID by choosing the “LOG IN” icon on the home page.
- Additional [Financial Awareness Counseling](#) may be required for students who currently owe \$10,000.00 or more in Federal Loans.
- You will need your FSA ID to sign in and complete the Entrance Counseling. If you have misplaced or forgotten your FSA ID, you can create a new one by going online at <https://fsaid.ed.gov>.
  - Once you log in, choose the “Complete Loan Counseling” option. Make sure to complete Entrance Counseling for the “Undergraduate Student” and choose Mt. San Jacinto College as your school choice. It may take 1 week for the Financial Aid Office to receive your results.

### **Exit Counseling:**

- The Mt. San Jacinto College Default Management Plan requires all borrowers complete the Federal Direct Loan [Exit Counseling](#) online after leaving Mt. San Jacinto College or falling below half time enrollment (6 units).
- Log in with your verified FSA ID by choosing the “LOG IN” icon on the home page. You will also need your FSA ID to sign in and complete the Exit Counseling.
- Please make a note on your calendar to complete the loan Exit Counseling after leaving Mt. San Jacinto College or falling below half-time enrollment (6 units).

## How do I sign my Master Promissory Note (MPN)?

**All students requesting a loan from Mt. San Jacinto College must complete a Master Promissory Note** prior to turning in your loan request form. This applies to not only first-time Direct Loan borrowers but also students who have previously borrowed a Direct Loan but are a new student at Mt. San Jacinto College. You **MUST** sign your MPN online at <https://studentaid.gov/mpn/>. Failure to sign your MPN **will** delay your loan origination and disbursement.

To sign your MPN online, complete the following:

- Log in to <https://studentaid.gov/mpn/> with your verified FSA ID by choosing the “LOG IN” icon on the home page.
- Once you log in Select “Complete Loan Agreement (Master Promissory Note)”.
- Choose the Subsidized/Unsubsidized option.
- Make sure to choose Mt. San Jacinto College under the school section.
- For assistance, you may call the Student Loan Support Center at 1-800-557-73

## How much can I borrow this Academic Year?

Under the Federal Direct Loan Program, the amount students can borrow for full academic year attendance is as follows:

Freshman: 1 <sup>st</sup> year (completed less than 30 units)	\$3500.00
Sophomore: 2 <sup>nd</sup> year (completed 30 units or more)	\$4500.00

- In addition, independent students (as defined on the FAFSA application) who are enrolled at least half time (6 or more units) may be eligible for an additional \$6000 Unsubsidized loan for full attendance each academic year.
- Dependent students (as defined on the FAFSA application) who are enrolled at least half time (6 or more units) may be eligible for an additional \$2000 Unsubsidized loan for full attendance each academic year.
  - Mt. San Jacinto College does not recommend the Federal Unsubsidized Direct loan to all students unless they are in a high-cost program and have a need to pay additional educational expenses.
- Your Federal Direct Loan will be originated for the amount you are eligible for at the time of processing. Mt. San Jacinto College has the right to deny a loan request. You will be notified via email to your MSJC student email account should your loan request be denied.
- Along with your annual loan limits listed above, Direct Loans also have lifetime or “aggregate” borrowing limits for undergraduate students. These amounts limit how much you can borrow while attending school at the undergraduate level.

## What happens after I submit my Loan Request Form?

Once your loan request has been submitted via email to the Loan Coordinator, it will then go into processing where the Loan Coordinator will review and award your account accordingly.

- If your loan request is complete, you will receive a loan award notification via your MSJC Student email account.
- If your loan request is not complete or denied, you will receive an email from the Loan Coordinator to your MSJC Student email account explaining the reason for denial or what is needed to complete your application.
- Mt. San Jacinto College will originate your loan with the Department of Education and your loan will be linked with your Master Promissory Note (MPN). Failure to complete your MPN or Entrance will cause your loan process to stop at this point and your loan will not be disbursed.
- Once your loan is originated by the Department of Education, you will receive a loan disclosure statement with your loan terms and responsibilities along with anticipated disbursement dates.

## Federal Direct Loan Request Deadlines

These deadline dates pertain to submitting a **completed** Loan Request prior to the last date of instruction for the term(s) in which you are enrolled. Failure to meet any of the requirements listed on the first page of this guide will cause your Loan Request to be considered incomplete.

Term(s) Enrolled	Loan Request Deadline
Fall 2021 only	12/10/2021
Spring 2022 only	05/18/2022
Fall 2021 & Spring 2022	05/18/2022

**Once your loan request has been approved you will receive an updated Offer Letter indicating the amount of loan you have been awarded for the 2021-2022 year. You will also receive a loan disclosure statement (sent to you from the Dept. of Education) to view your anticipated disbursements dates and loan amounts (including fees and net disbursement).**

## 2021-2022 Disbursement Information

Student Loans will be disbursed via BankMobile within two weeks of the disbursement dates listed in your disclosure statement.

**Note: All first-time loan borrowers have a 30-day delay of their first disbursement based after the first day of your enrollment period.**

Students will need to use their personal code to activate their account with BankMobile and choose a disbursement method via the [www.refundselection.com](http://www.refundselection.com) website. Failure to select a refund preference may cause further delays in receiving any eligible disbursement. It is also important that your mailing address is current to avoid additional delays in receiving your financial aid funds, if eligible.

- The number of disbursement(s) you receive is based on your application and grad/transfer date. Generally, there are 2 disbursements, 1 disbursement in fall and 1 disbursement in spring.
- If at the time of your disbursement; you are not meeting the Mt. San Jacinto College Satisfactory Academic Progress Standards (SAP), you owe funds to Mt. San Jacinto College or the Department of Education, or you are not enrolled in 6-degree applicable units on your SEP plan, your loan funds will be returned to the Department of Education and the 2<sup>nd</sup> half of your loan will be cancelled.

## What are the interest rates on loans borrowed after 7-1-21?

- Effective July 1, 2021 thru June 30, 2022, the interest rates are fixed at 3.73% for Federal Direct Subsidized and 3.73% for Federal Direct Unsubsidized Loans. The current interest rates/fees can also be found online at: <https://studentaid.gov/understand-aid/types/loans/interest-rates>
- **Subsidized Loans:** While you are in school at least half time (6 or more units), the federal government will pay the interest subsidy for the Federal Direct Subsidized loans on your behalf. You become responsible for the interest once you are no longer enrolled at least half-time.
- **Unsubsidized Loans:** Your loan begins to accrue interest as soon as your loan funds are disbursed to you.

## What fees are included in Direct Loans?

- For loans disbursed on/after 10/1/2020 and before 10/1/2021, a 1.057% origination fee will be deducted from the gross amount of the loan **prior** to disbursement. This fee helps to reduce the cost of making these low-interest loans.
- For loans disbursed on/after 10/1/2021 and before 10/1/2022, a 1.057% origination fee will be deducted from the gross amount of the loan **prior** to disbursement. This fee helps to reduce the cost of making these low-interest loans.

## What happens if I drop all of my class(s) or do not successfully complete the semester for which I receive Direct Loan(s)?

- Any student who withdraws from all of their classes, is dropped by all of their instructors, or receives all F grades for the Fall and/or Spring semester may be subject to immediate repayment of the direct loan funds received based on Return to Title IV (R2T4) regulations.
- If you fall below half time (6 or more units), your grace period for your direct loan will begin as of the date of your withdrawal. You must contact the Direct Loan servicing center at the time of withdrawal to update your enrollment status at 1-800-848-0979.

## How would I cancel my Direct Loan(s) if I decide I no longer wish to borrow?

- If no loan funds have been disbursed, you will contact the Loan Coordinator to cancel all or part of your loan.
- If loan funds have been disbursed, you will contact your servicer for guidance on how to cancel your loans.

## Repayment Terms

**Subsidized Loan:** Repayment of Federal Subsidized loans begins six months after you graduate, leave school, or drop below half-time attendance. The federal government pays the interest subsidy on your behalf while you are in school at least half time prior to entering repayment, and during periods of deferment of subsidized loans. The minimum monthly payment is \$50.

**Unsubsidized Loan:** Repayment of the interest on Federal Unsubsidized loans begins immediately. You, as the borrower, are responsible for paying all the interest that accrues on your unsubsidized loans during the times you are enrolled in school, during your six-month grace period and during any period of deferment or repayment. You can choose to either pay the interest during those periods or defer the payment of the interest. If you choose to defer payment of the interest, the Department of Education will add any unpaid interest to your principal balance, a process called “capitalization”. When interest is capitalized, your principal balance will increase by the amount of any unpaid interest. Repayment of the principal and interest begins six months after you graduate, leave school, or drop below half-time attendance. The minimum monthly payment is \$50.

## Important Reminders

- Please make sure to meet all the requirements outlined on the checklist on the first page of this guide before submitting this loan request, if they are not met the loan will not be disbursed.
- *Make sure that your Mt. San Jacinto College student email account is activated and that you are checking it continually for updates to your financial aid status.*
- Make sure that your address is current and always updated on Self Service
- Make sure you have chosen your Refund Preference upon receiving your BankMobile disbursement selection kit.
- *Make sure to complete the Master Promissory Note (MPN) as explained in this guide. Failure to complete your MPN will delay your loan disbursement and could lead to cancellation of your loan.*
- If you fall below half- time (6 or more units) and/or withdraw from your classes, it is important that you notify the Student Loan Support Center about your change of enrollment within 10 days of the change. You can contact them at 1-800-848-0979.
- Make sure to complete your Exit Counseling after leaving Mt. San Jacinto College or when you fall below half-time enrollment (6 units).
- If at any time during your repayment of your student loan you have difficulty making your payment, please contact the Student Loan Support Center. There are a variety of options available to students to defer or reduce student loan payments. These options will allow you to remain in satisfactory repayment status on your student loan and will help you avoid default. The consequences of defaulting on your student loan include inability to receive financial aid from any college, garnishment of wages and federal/state income tax returns, and the debt is reported to all credit bureaus, which will affect your credit rating, etc.... **DO NOT DEFAULT. REPAY ALL LOANS.**