

## WILLIAM D. FORD FEDERAL DIRECT LOAN INSTRUCTIONS FOR NEW BORROWERS

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The federal government requires that all **new Direct Loan** borrowers complete **Entrance Counseling** and sign a **Master Promissory Note (MPN)** before receiving any loan funds. The Entrance Counseling session provides you with information about your Direct Loan. The MPN is a legal document between you (the borrower) and the U.S. Department of Education (the lender) in which you agree to repay your loan(s) and any accrued interest and fees. It also explains the terms and conditions of your loan.

**STEP 1:** Log in to [www.studentloans.gov](http://www.studentloans.gov) using your FSA ID username or email address and your FSA ID password. If you do not have an FSA ID, you will be able to create one:

- Click on **'Complete Counseling'**.
- Under **'Entrance Counseling'** click on **'Start Entrance Counseling'**. You will then need to select the school and also whether you are an **undergraduate** or a **graduate** student. (If you are a graduate student, this session satisfies the entrance counseling requirement for both Unsubsidized and Graduate PLUS loans.)
- Read through the information pages and answer the questions.
- Read the Borrower's Rights and Responsibilities at the end of your session and keep a copy for your records.
- If you completed Direct Loan entrance counseling at [www.studentloans.gov](http://www.studentloans.gov) for a different school, you can go to **'View Completed Counseling'** to add John Jay's school code which is 002693.

**STEP 2:** Sign your Master Promissory Note (MPN) electronically at [www.studentloans.gov](http://www.studentloans.gov):

- After you log in using your FSA ID or email and FSA ID password, click on **'Complete MPN'**.
- Select **'Complete Subsidized/Unsubsidized MPN'**. (Even if you are a graduate student, this is the MPN you need to sign. **Do not select the one for a Graduate PLUS loan.**)
- Complete Steps 1 through 4.

**STEP 3:** Complete your Summer 2016/Fall 2016/Spring 2017 Direct Loan Processing Form.

- Log in to CUNYFirst at [https://home.cunyfirst.cuny.edu/oam/Portal\\_Login1.html](https://home.cunyfirst.cuny.edu/oam/Portal_Login1.html).
- Click on **'Student Center'**.
- Under **'Finances,'** click on **'Direct Loan Processing Form'**.
- Enter **JJC01** for the Institution and **2017** for the Aid Year.
- Complete the form for all terms (Summer 2016, Fall 2016, Spring 2017) for which you will be enrolled at least half-time and need a Direct Loan.
- **Thoroughly review your request for accuracy since you cannot make adjustments to the form once it is submitted.**

Your Direct Loan cannot be certified until the Financial Aid Office has received the results of your **2016-2017 FAFSA**, collected any required documentation and determined your information to be correct.

## DIRECT STUDENT LOAN INFORMATION

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- You must be registered at least half-time (6 or more equated credits) in a degree program for each term that you are requesting a Direct Loan.
- You must be making satisfactory academic progress towards your educational program to be eligible for a Direct Loan.
- A subsidized loan is a need-based loan on which the U.S. Department of Education pays the interest on the loan while you are enrolled at least half-time and during grace and deferment periods. Only undergraduate students can receive this type of loan.
- An unsubsidized loan is not need-based. The borrower is responsible for paying the interest on the loan from the date the loan is disbursed. Any interest that is not paid will be capitalized. Both undergraduate and graduate students can receive this type of loan.
- Beginning July 01, 2013, a new borrower cannot receive subsidized loans for more than 150% of the published length of the borrower's program. For a 4-year Bachelor's Degree, the limit for subsidized loan eligibility would be 6 years.
- The Direct Loan interest rate for loans first disbursed on or after July 01, 2016 and prior to July 01, 2017 is 3.76% for undergraduate students on both subsidized and unsubsidized loans. For graduate students, the interest rate is 5.31% on unsubsidized loans for the same period.
- A Direct Loan origination fee is deducted from each loan disbursement. The origination fee on Direct Subsidized and Unsubsidized Loans first disbursed on or after October 01, 2015 and prior to October 01, 2016 is 1.068%. For the same loans first disbursed on or after October 01, 2016 and prior to October 01, 2017, the origination fee is 1.069%.
- There is no penalty for pre-paying your loan(s). If you would like to begin repaying your loan(s) early, please contact your Direct Loan servicer.
- **You are required to complete exit counseling at [www.studentloans.gov](http://www.studentloans.gov) when you graduate, leave school, or drop below half-time enrollment.** Repayment of your loan begins 6 months after you graduate, leave school, or drop below half-time enrollment. If you are temporarily unable to make payments, you may be able to avoid default by contacting your Direct Loan servicer to find out if you are eligible for a deferment or forbearance.

**Annual Direct Loan Limits**

	Dependent Students	Independent Students
0-29 Units Completed	\$5,500 (Maximum Subsidized = \$3,500)	\$9,500 (Maximum Subsidized = \$3,500)
30-59 Units Completed	\$6,500 (Maximum Subsidized = \$4,500)	\$10,500 (Maximum Subsidized = \$4,500)
60+ Units Completed	\$7,500 (Maximum Subsidized = \$5,500)	\$12,500 (Maximum Subsidized = \$5,500)
Graduate Students		\$20,500 (Unsubsidized only)

If you have any further questions about Direct Loan eligibility, you can email the Financial Aid Office at [directloans@jjay.cuny.edu](mailto:directloans@jjay.cuny.edu).