



Direct Loan Information Packet

The following steps are required to complete the loan process. Failure to complete any one of the components below will cause the loan process to be considered incomplete and the funds will not be disbursed. Students must also complete the “Exit Counseling” component if dropping below half-time or before the end of the loan period. A HOLD will be placed on school records and the hold will not be removed until completion of the Exit Counseling.

Please check the box indicating that the required steps have been completed:

- ✓ All borrowers must review the Direct Loan Presentation at [Steps on How to Apply for a Direct Loan](#), click on “[Review the Direct Loan presentation on this link](#)”.
- ✓ Accept your Direct Loan award on your Student [Self-Service](#) portal.
- ✓ Complete and submit the Direct Loan Request form
- ✓ Complete the online “**Direct Loan Entrance Counseling**” on www.studentloans.gov
- ✓ Complete the online “**Master Promissory Note**” on www.studentloans.gov
- ✓ Complete the online “**Exit Counseling**” at <https://studentaid.gov> when you graduate, leave school, or drop below 6 units (half-time enrollment) **Click on this link: [Direct Loan Exit Counseling](#)**

The step-by-step online instructions are provided inside the Direct Loan Information Packet. Make sure to use www.studentaid.gov for your entire loan servicing needs (Entrance/Exit Counseling, MPN, etc.).

Once Santiago Canyon College completes the Direct Loan request and originates the loan, the loan funds will be disbursed on the next available disbursement date. [See current disbursement schedule for more details.](#)

For students who chose to borrow a Direct Loan:

1. I must stay actively enrolled in a minimum of **six eligible** units at all times. Furthermore, if I enroll in late start classes, I understand that I will not receive a scheduled disbursement until after I am actively enrolled in a minimum of six eligible units.
2. I must complete the Entrance Counseling and Master Promissory Note (MPN) at www.studentaid.gov. (Returning borrowers who borrowed at another institution must “notify” Santiago Canyon College of completed Entrance Counseling at www.studentaid.gov).
3. In the event I am no longer eligible for a Direct Loan disbursement, my loan will be canceled.
4. I must adhere to the [Satisfactory Academic Progress Policy](#) or my loan will not be disbursed.
5. Upon evaluation of transcripts, I may have to complete an additional process and/or appeal.
6. I will manage my loan(s) on www.studentaid.gov website until it is paid in full.

Additional student loan information and policies can be found at:

<https://scollege.edu/StudentServices/FinancialAid/Pages/Direct-Loans.aspx>



Direct Subsidized and Unsubsidized Annual Loan Limits:

Annual loan limits vary based on the grade level of the student:

Grade Level (GL) 1 = 0 – 29 units completed (on file with SCC)

Grade Level (GL) 2 = 30 or more units completed (on file with SCC)

		Maximum Fall Term	Maximum Spring Term	Annual Maximum
Dependent	GL=1 Subsidized	\$1,750	\$1,750	\$3,500
	GL=1 Unsubsidized*	\$1,000	\$1,000	\$2,000
Totals by term/year		\$3,750	\$3,750	\$5,500
	GL=2 Subsidized	\$2,250	\$2,250	\$4,500
	GL=2 Unsubsidized*	\$1,000	\$1,000	\$2,000
Totals by term/year		\$3,250	\$3,250	\$6,500

Independent	GL=1 Subsidized	\$1,750	\$1,750	\$3,500
	GL=1 Unsubsidized	\$3,000	\$3,000	\$6,000
Totals by term/year		\$4,750	\$4,750	\$9,500
	GL=2 Subsidized	\$2,250	\$2,250	\$4,500
	GL=2 Unsubsidized	\$3,000	\$3,000	\$6,000
Totals by term/year		\$5,250	\$5,250	\$10,500

*Dependent students whose parents cannot qualify to borrow PLUS Loans may also borrow an additional unsubsidized loan for \$6,000

Parent PLUS Annual Loan Limits:

Parents of dependent undergraduate students may borrow an amount up to the Cost of Attendance (COA), minus the amount of any other financial aid received (including Direct subsidized and unsubsidized loans).

COA — Financial Aid = Maximum Direct Plus Annual Loan Amount. Please contact the Financial Aid Office if you are interested in borrowing the Parent PLUS Loan.

Interest rates for federal student loans

If you receive a federal student loan, you will be required to repay that loan with interest. Make sure you understand how interest is calculated and the fees associated with your loan. Both of these factors will impact the amount you will be required to repay.

Remember that interest rates and fees are generally lower for federal student loans than private student loans. Interest is additional money that you pay to a lender as a cost of borrowing money. Interest is calculated as a percentage of the unpaid principal amount that you borrowed.

Unlike other forms of debt, such as credit cards and mortgages, Direct Loans are “daily interest” loans. On daily interest loans, interest accrues (adds up) every day.

If your loans are subsidized, you are not responsible for paying the interest that accrues while you’re in school. If your loans are unsubsidized, you’re responsible for all the interest that accrues, even while you’re in school.

[Difference between Subsidized and Unsubsidized Loans](#)

Fees for Federal Student Loans (origination fee)

Most federal student loans have loan fees. These fees are a percentage of the total loan amount.

A loan fee comes out of the amount of money that is disbursed (paid out) to you while you’re in school. This means the money you receive will be less than the amount you actually borrow.

You’re responsible for repaying the entire amount you borrowed and not just the amount you received.

FOR INFORMATION REGARDING CURRENT INTEREST RATES AND FEES PLEASE VISIT WWW.STUDENTAID.GOV

Deferment and Forbearance

If you want additional information on loan default, visit the Department's [Debt Resolution website](https://www.myeddebt.com/borrower/). (<https://www.myeddebt.com/borrower/>)

Deferment

A temporary postponement of payment on a loan that is allowed under certain conditions and during which interest generally does not accrue on Direct Subsidized Loans, the subsidized portion of Direct Consolidation Loans, Subsidized Federal Stafford Loans, the subsidized portion of FFEL Consolidation Loans, and Federal Perkins Loans. All other federal student loans that are deferred will continue to accrue interest. Any unpaid interest that accrued during the deferment period may be added to the principal balance (capitalized) of the loan(s).

You may be eligible for a deferment on your federal student loan

- while you are enrolled at least half-time at an eligible college or career school, and if you received a *Direct PLUS Loan* or FFEL PLUS Loan as a graduate or professional student, for an additional six months after you cease to be enrolled at least half-time;
- if you are a parent who received a Direct PLUS Loan or a FFEL PLUS Loan, while the student for whom you obtained the loan is enrolled at least half-time at an eligible college or career school, and for an additional six months after the student ceases to be enrolled at least half-time;
- while you are enrolled in an approved graduate fellowship program;
- while you are enrolled in an approved rehabilitation training program for the disabled;
- while you are unemployed or unable to find full-time employment, for up to three years while you are experiencing economic hardship or serving in the Peace Corps, for up to three years;
- while you are on active duty military service in connection with a war, military operation, or national emergency; or
- if you were on active duty military service in connection with a war, military operation, or national emergency, for the 13 month period following the conclusion of that service, or until you return to college or career school on at least a half-time basis, whichever is earlier

Forbearance

A period during which your monthly loan payments are temporarily suspended or reduced. Your lender may grant you a forbearance if you are willing but unable to make loan payments due to certain types of financial hardships. During forbearance, principal payments are postponed but interest continues to accrue. Unpaid interest that accrues during the forbearance will be added to the principal balance (capitalized) of your loan(s), increasing the total amount you owe.

You may be granted a forbearance if you meet one of the following requirements:

- You are unable to make your scheduled loan payments for reasons including, but not limited to, financial hardship and illness.
- You are serving in a medical or dental internship or residency program and you meet specific requirements
- The total amount you owe each month for all of the Title IV student loans you received is 20% or more of your total monthly gross income (for a maximum of three years)
- You are serving in an approved AmeriCorps position.
- You are performing a teaching service that would qualify for loan forgiveness under the requirements of the Teacher Loan Forgiveness Program
- You qualify for partial repayment of your loans under the Student Loan Repayment Program, as administered by the Department of Defense
- You are called to active duty in the U.S. armed forces.

Note: Interest will continue to be charged during forbearance on all types of loans. If you do not pay this interest, it will be capitalized at the end of the forbearance. Visit www.studentaid.gov for more information.

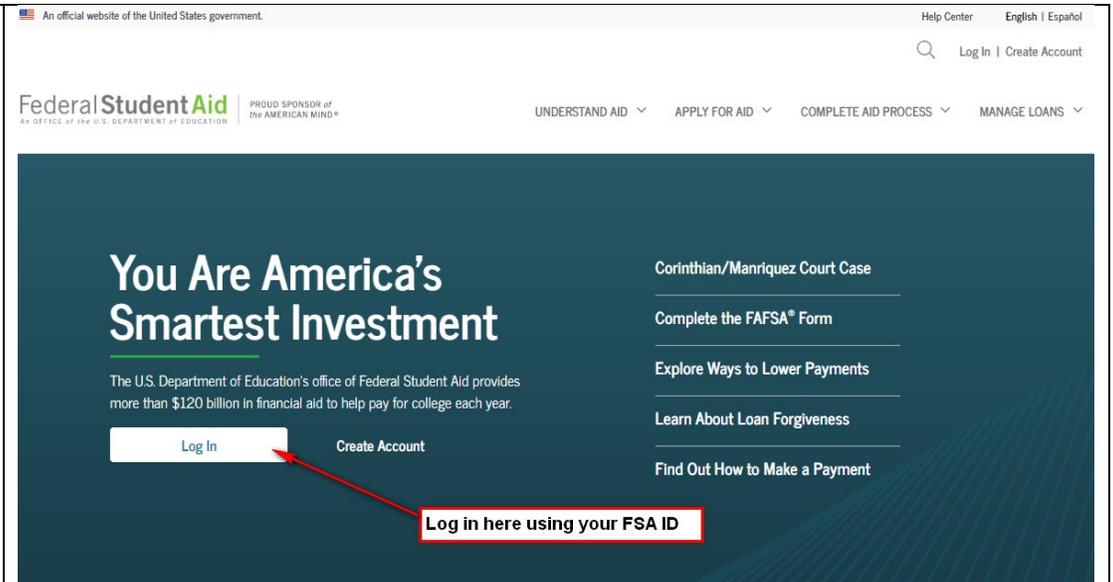
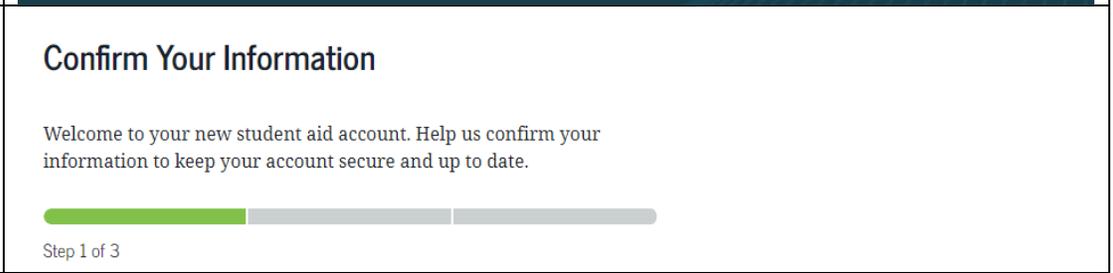
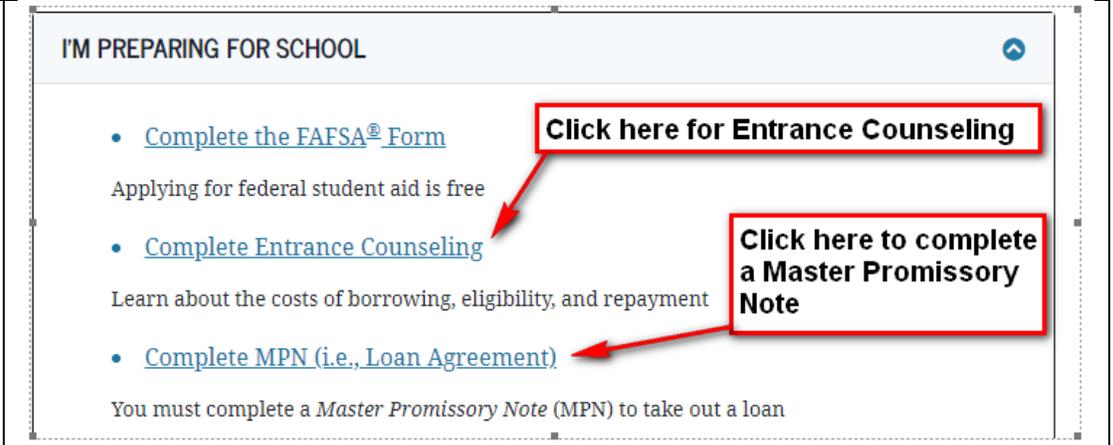
What's the difference between deferment and forbearance?

The main difference is that with a deferment, you may not be responsible for paying the interest that accrues on certain types of loans during the deferment period.

During deferment, you are generally NOT responsible for paying the interest that accrues on the following loan types:	During deferment, you ARE responsible for paying all interest that accrues on the following loan types:
Direct Subsidized Loans	Direct Unsubsidized Loans
Subsidized Federal Stafford Loans	Unsubsidized Federal Stafford Loans
Federal Perkins Loans	Direct PLUS Loans
The subsidized portion of Direct <i>Consolidation</i> Loans	Federal Family Education Loan (FFEL) PLUS Loans
The subsidized portion of FFEL Consolidation Loans	The unsubsidized portion of Direct Consolidation Loans
	The unsubsidized portion of FFEL Consolidation Loans

ONLINE-Entrance Counseling & MPN Instructions

Website: <https://studentaid.gov>

<p>Step 1: Sign In</p> <p>-Visit https://studentaid.gov</p> <p>-You will need your FSA ID (Username & password you used when filing a FAFSA)</p> <p>- Log In</p>	
<p>Review and Confirm Your Information</p>	
<p>On the following screen:</p>	

Entrance Counseling is required before you can receive your **first** Direct Subsidized Loan or Direct Unsubsidized Loan as an **undergraduate**.

MY CHECKLISTS

I'M PREPARING FOR SCHOOL



I'M IN SCHOOL



[Learn About Types of Aid—Grants, Work-Study, Loans, and Scholarships](#)

Learn about the types of aid that can help you pay for college

[Renew Your FAFSA® Form](#)

The FAFSA® form needs to be completed each school year

[Complete Loan Agreement](#)

You must complete a *Master Promissory Note* (MPN) to take out a loan

[Complete Entrance Counseling](#)

Learn about the costs of borrowing, eligibility, and repayment

[Apply for a PLUS Loan for Graduate School](#)

PLUS loans can help pay for education expenses not covered by other aid

[Use the Repayment Estimator](#)

Estimate monthly payments and compare repayment options

Select this

Step 2: Complete Entrance Counseling

COMPLETE COUNSELING

Entrance Counseling

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.

If you are completing entrance counseling to borrow a loan as an undergraduate student, then the entrance counseling will fulfill counseling requirements for Direct Subsidized Loans and Direct Unsubsidized Loans.

If you are completing entrance counseling to borrow a loan as a graduate or professional student, the entrance counseling will fulfill counseling requirements for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans.

Your school may have alternate entrance counseling requirements. Check with your school's financial aid office to be sure that the counseling available on this Web site satisfies its requirements for entrance counseling.

Complete Entrance Counseling

START

Who should complete this?

Students who have not previously received a subsidized/unsubsidized loan or PLUS loan (graduate/professional students only) under the Direct Loan Program or Federal Family Education Loan (FFEL) Program.

Step 3:

1. Add School to Notify and select "Santiago Canyon College".
2. Click on "NOTIFY THIS SCHOOL".
3. Indicate that you are an undergraduate student.
4. Continue to complete the Entrance Counseling

ENTRANCE COUNSELING

Add School to Notify

Select up to 3 schools you wish to notify of your counseling completion.

This school is participating in Entrance Counseling through StudentLoans.gov.

School Name:
SANTIAGO CANYON COLLEGE

School Code/Branch:
G36957

School Address:
8045 EAST CHAPMAN AVENUE
ORANGE, CA 928694512

[NOTIFY THIS SCHOOL](#)

[Go back to Search](#)

Notify These Schools

You have not selected any schools to notify.

Select Student Type

I am completing entrance counseling to receive Direct Loans as an undergraduate student.

I am completing entrance counseling to receive Direct Loans as a graduate or professional student.

[CONTINUE](#)

Step 4:

Complete Master Promissory Note (MPN)

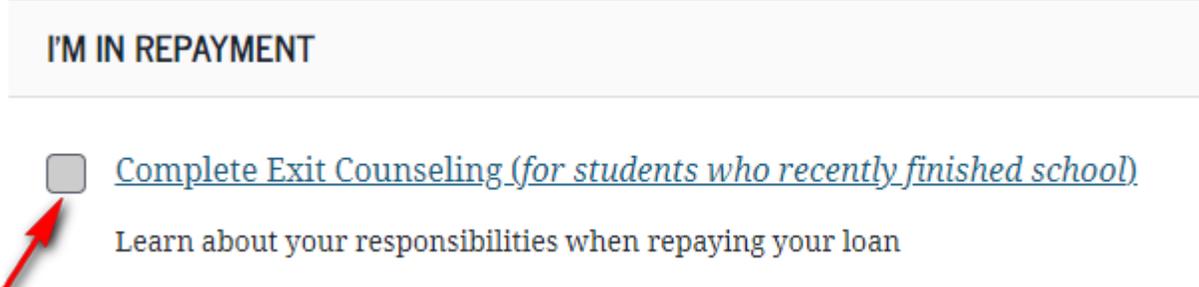
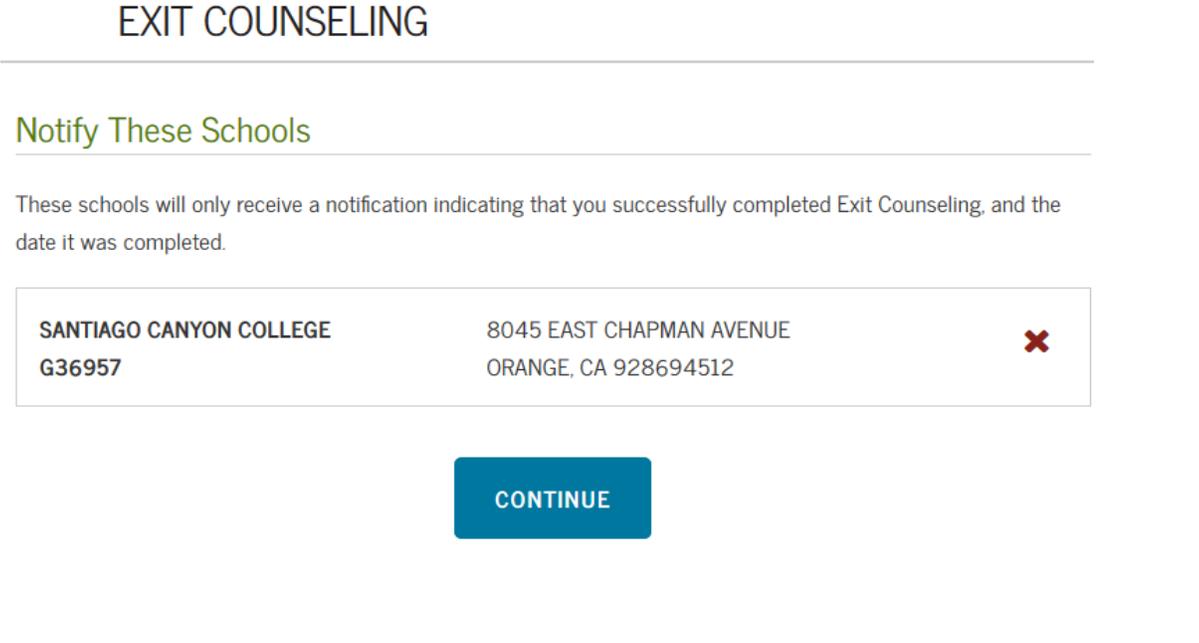
****Make sure you select our school by name/state (Santiago Canyon College), read each section carefully and answer all the questions.**

Choose the Direct Loan MPN you want to preview or complete

 <p>I'm an Undergraduate Student MPN for Subsidized/Unsubsidized Loans Use this MPN for Direct Subsidized Loans or Direct Unsubsidized Loans available to eligible undergraduate students. Learn More</p>	<p>Start</p> <p><small>OMB No. 1845-0007 • Form Approved</small></p>
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ONLINE-EXIT Counseling Instructions

<https://studentaid.gov>

<p>Step 1:</p> <p>After signing in with your FSA ID:</p> <p>Select "I'M IN REPAYMENT"</p>	 <p>MY CHECKLISTS</p> <ul style="list-style-type: none">I'M PREPARING FOR SCHOOLI'M IN SCHOOLI'M IN REPAYMENTI'M A PARENT			
<p>Step 2:</p> <p>Click on "Complete Exit Counseling"</p>	 <p>I'M IN REPAYMENT</p> <p><input type="checkbox"/> Complete Exit Counseling (for students who recently finished school)</p> <p>Learn about your responsibilities when repaying your loan</p>			
<p>Step 3:</p> <p>Select our School</p> <p>**After you have <u>completed</u> and <u>submitted</u> your Exit Counseling, you will receive a confirmation email with an "Exit Counseling Summary". This will show your current loan balance and an estimated repayment amount.</p>	 <p>EXIT COUNSELING</p> <p>Notify These Schools</p> <p>These schools will only receive a notification indicating that you successfully completed Exit Counseling, and the date it was completed.</p> <table border="1"><tr><td>SANTIAGO CANYON COLLEGE G36957</td><td>8045 EAST CHAPMAN AVENUE ORANGE, CA 928694512</td><td>X</td></tr></table> <p>CONTINUE</p>	SANTIAGO CANYON COLLEGE G36957	8045 EAST CHAPMAN AVENUE ORANGE, CA 928694512	X
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