City College of San Francisco (CCSF) endorses the philosophy of assisting students in maintaining a low level of loan debt. Receiving a student loan is a serious matter and when you accept a student loan you accept the responsibility and obligation of repayment. Therefore, we have provided the following information to assist you in understanding the federal student loan program and the process at CCSF. **City College of San Francisco does not participate in Direct PLUS loans, Alternative and/or Private Loans.**

**Federal Regulation Affecting Direct Subsidized Loans**

Public Law 112-141, Moving Ahead for Progress in the 21st Century ACT (MAP 21), enacted July 6, 2012, limited Direct Subsidized Loan eligibility for first-time borrowers as of July 1, 2013 to 150% of the published length of the educational program in which the borrower is currently enrolled.

A first-time borrower is a borrower who either did not receive loans, or had loans paid off in full prior to receiving loans on/after July 1, 2013.

For example:
- If a student is enrolled in a 2-year associate degree program, the student has 2 years x 150% = 3 years of eligibility
- If a student is enrolled in a 1-year certificate program, the student has 1 year x 150% = 1.5 years of eligibility

A first-time borrower, who loses interest subsidy for additional subsidized loans, also loses interest subsidy on subsidized loans received from July 1, 2013 if:
- The borrower did not complete the program within the maximum eligibility timeframe and;
- Continues enrollment in the same program; or
- Enrolls in another program of the same or shorter length.

The loss of interest subsidy is effective from the date of the continuing or new enrollment.

**HOW MUCH CAN I BORROW?**

The actual loan amount is determined by individual eligibility, not to exceed the maximum loan limits indicated below. You can always request a reduced loan amount if the full eligibility is not needed.

**Federal Direct Maximum Annual Limits**

<table>
<thead>
<tr>
<th>BORROWER ACADEMIC LEVEL</th>
<th>SUBSIDIZED DIRECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade Level 1 / Freshman: 0-29.5 units earned</td>
<td>$3,500 per academic year</td>
</tr>
<tr>
<td>Grade Level 2 / Sophomore: 30 + units earned</td>
<td>$4,500 per academic year</td>
</tr>
</tbody>
</table>

Dependent students may be eligible for an additional $2,000 in Unsubsidized Loan. Independent students may be eligible for an additional $6,000 in unsubsidized loans. You are an independent student if you were not required to provide parental information when completing the 2015-2016 Free Application for Federal Student Aid (FAFSA).

**Aggregate Borrowing Limits**

<table>
<thead>
<tr>
<th></th>
<th>Dependent Undergraduate</th>
<th>$31,000</th>
<th>$31,000 of which $23,000 is maximum Subsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Undergraduate</td>
<td>$57,500</td>
<td>$57,500 of which $23,000 is maximum Subsidized</td>
<td></td>
</tr>
</tbody>
</table>

**For Independent and Dependent student aggregate borrowing limits on subsidized loans the 150% rule applies meaning the maximum is based on the published length of the student’s educational program for 1st time borrowers after July 1st, 2013.**

**Note that CCSF maintains a loan denial policy, which is conducted on an individual basis. See loan request form for common reasons for denial.**
Federal Direct Loan Application Process

Before you can submit a Direct Loan Request Form you must complete the Free Application for Federal Student Aid (FAFSA) via the web at www.fafsa.ed.gov for City College of San Francisco (012874).

To be eligible to request a Federal Direct Loan you must:

1. Meet and maintain Satisfactory Academic Progress (SAP) as determined by CCSF.
2. Enroll at CCSF in at least (6) units per semester in a program leading to a degree, certificate, and/or transfer.
3. Complete an online Loan Entrance Counseling at www.StudentLoans.gov
4. You must not be delinquent or in default on any Federal Student Loan or owe a refund on Federal/State grant.
5. You may not exceed annual borrowing limits nor can you exceed the aggregate borrowing limits.
6. Before you can be considered for a Direct Loan, you must be considered for other Title IV funds first and must have remaining unmet need after other grants, scholarships, work study programs have been considered.
7. Attend a scheduled Financial Literacy Workshop (See next page for details)
   • Must present a current Driver’s License or State ID for admission
   • Arrive 10 minutes prior to scheduled workshop time

Note: You will not be admitted if you are not present by start time and if you do not have a Driver’s License or State ID to present.

8. Complete and submit a Federal Direct Loan Request Form in person to the Financial Aid Office along with the following documentation:
   • Copy of current Driver’s License or State ID (unexpired)
   • Proof of Entrance Counseling
   • Continuing Borrowers Only (including loans received from other institutions): Attach a printout of your past loan activity from the National Student Loan Data System at www.nslds.ed.gov.

   • The loan amount you are eligible to borrow is determined by the information submitted on your FAFSA, the number of units you have completed, cost of attendance, your dependency status and graduation status.
   • The Financial Aid Office will notify you of your loan eligibility or denial with the reason for the denial via email, to your CCSF Gmail account.
   • Processing time is approximately four to six weeks after all requested loan documents are received and your financial aid file has been reviewed and finalized.
   • After your loan origination has been accepted by the Department of Education, the Financial Aid Office will notify you via CCSF Gmail that you can complete the MPN online at StudentLoans.gov, if required.
   • Once CCSF releases loan funds to your student account, you have 30 days to request a cancellation of your loan.
**Important Information**

**Loan Entrance Counseling**
Entrance counseling **must be completed every year by borrowers at City College of San Francisco.** This helps you to understand your responsibilities regarding your loan. You can complete the Federal Direct Loan Entrance interview on line at StudentLoans.gov. Print and submit proof of completion to the Financial Aid Office.

**Financial Literacy Workshop (FLW)**
In addition to the Loan Entrance Counseling, all students are required to attend a Financial Literacy Workshop **in person.** A schedule is available on line at http://www.ccsf.edu/NEW/content/dam/ccsf/documents/Financial/LiteracyWS.pdf. A current Driver’s License or State ID must be presented at the workshop.

**Loan Exit Counseling**
You must complete Federal Direct Exit Interview online at www.StudentLoans.gov prior to transferring, withdrawing, graduating, or dropping below half-time enrollment (6 units).

**Disbursements**
- Disbursements of Federal Direct Loan funds will begin 30 days after the start of the semester. Disbursement schedules are available online.
- All loan disbursements will be made in two installments during each semester. If you apply for a two semester loan, your loan will be disbursed in four installments: two during the Fall semester and two during the Spring semester.
- If you apply for a one semester loan, your loan will also be disbursed in two installments. The second installment will be disbursed after you have completed half of the semester.

**Satisfactory Academic Progress**
Students receiving financial aid enter into an agreement to make satisfactory academic progress toward their educational goal. Failure to maintain these standards will result in the loss of financial assistance. The Financial Aid Office reviews academic progress at the end of every semester. The Satisfactory Academic Progress Standards can be reviewed online at http://www.ccsf.edu/content/dam/ccsf/documents/Financial/SAPPolicyCr.pdf. If grades are not yet posted, any financial aid award is tentative until the academic record is reviewed.

**Master Promissory Note (MPN)**
The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department of Education. It also explains the terms and conditions of your loan(s).
- To complete an MPN online at StudentLoans.gov, you will be required to use your Department of Education-issued FSA ID. If you do not have an FSA ID, you may create one online at fsaid.ed.gov/npas/indezh.htm.
- Once the MPN is submitted and accepted, you will not be required to complete a new MPN for future loans. You can borrow additional Direct Loans on a single MPN for up to 10 years.

You will receive a disclosure statement that gives you specific information about any loan that the school plans to disburse under your MPN, including the loan amount, fees, and the expected disbursement dates and amounts. We recommend you print a copy of the MPN to keep for your records.

**Repayment**
- Repayment begins after the 6-month grace period. The minimum monthly payments may be as low as $50. However, the amount will increase as the total amount of your debt increases. The Standard Repayment Plan gives you up to 10 years to repay your student loan.

**Dropping Below Half-Time/CCSF Loan Cancellation Policy**
- If you drop below half-time prior to any first scheduled disbursement for fall/spring semester, your loan will be cancelled.
- If you drop below half-time after any first scheduled disbursement for fall/spring semester disbursement the second scheduled disbursement will be cancelled.
- If you withdraw from all classes before 60% of the semester you may be required to repay funds.
- Your loan will be cancelled if you are disqualified for not meeting Satisfactory Academic Progress (SAP) at any point in time.
- You will need to submit a new Loan Request form for the semester if your Satisfactory Academic Progress (SAP) Appeal is approved.

**Deadline to Apply**
The deadline to submit Direct Loan request forms is 10 working days before the end of the semester in which you are enrolled. This date is subject to change without notice.

**Note, CCSF does not offer Summer loans**

Remember to always keep track of all amounts that you borrow and update your lender with changes in your name, address, telephone number, school, and/or references.
**Terms to Know When Borrowing Federal Direct Loans**

**Federal Direct Subsidized Loans**

The Federal Direct Subsidized Student Loan is a need-based student loan program designed to assist students with educational expenses while attending at least half-time (6 units) in an eligible program of study. Remaining need must be available after all aid is considered.

The subsidized student loan is based on unmet need after subtracting grants, work-study, and other resources such as scholarships from the cost of attendance. The interest is subsidized (paid) by the federal government as long as the student is enrolled at least half-time. The interest for subsidized loan begins to accrue during the grace period. Eligibility for financial subsidized student loans will be reviewed before the unsubsidized loan. There is a limit of 150% of the length of your program to receive subsidized loan.

**Federal Direct Unsubsidized Loans**

The unsubsidized student loan does not require need to qualify. The interest on this loan begins to accrue (be charged) to the borrower when it is funded. Students have the option of making interest payments or capitalizing the interest (adding to the principal amount borrowed).

**Principal Balance**

The original amount of student’s loan debt or the amount of debt the student owes after accrued interest has been capitalized.

**Capitalize**

A process by which accrued interest is added to the principal balance of the student’s loan.

**Accrued Interest**

Interest that has accumulated at a given time. When a borrower is not making interest payments on Unsubsidized, the interest on the loan accrues and is then capitalized.

**Origination Fee**

All Federal Direct Loans are subject to origination fees. This fee will be deducted from your loan each time the loan is disbursed. A 1.072% fee that is charged to the borrower. In October 1st, 2014 the fee will increase to 1.073%.

**Grace Period**

The period during which payments of principal are not required. Grace period begins the day after a Direct loan borrower ceases to be enrolled at least half-time at an eligible school, ends the day before the repayment period begins. If the student re-enrolls in school at least half time before the end of 6-month grace period, the student will receive the full 6-month grace period when she/he stops attending school or drops below half-time enrollment.

**Deferment**

Postponement of payments during which time interest does not accrue if the loan is subsidized. However, interest will accrue if the student has reached the 150% limit on subsidized loans. An automatic deferment is given to a student based on an in-school status. A student may also request a deferment based on economic hardship, unemployment, or qualifying active duty service.

**Forbearance**

A postponement of payments. For more information call Direct Loan Servicing Center at 1-800-848-0979.

**NSLDS**

**National Student Loan Data System**

Students can access the Government system to check on their loan information at www.nslds.ed.gov

Please visit Federal Direct Loan Website at www.direct.ed.gov for more information.