

Dear Direct Loan Borrowers,

This letter is to inform Direct Loan borrowers at San Diego Community College District (SDCCD); we have been selected by the Department of Education as an Experimental Sites Initiative participant for the Additional Loan Counseling.

Effective within the 2017-2018 school year, SDCCD (City, Mesa, and Miramar College) has been approved by the U.S. Department of Education to request certain borrowers to complete additional loan counseling. The additional Loan Counseling will provide:

- Positive influence decision-making about borrowing
- Promote successful repayment of student loans, including reducing delinquency and defaults
- Have a positive impact on students' academic performance (e.g., grades and time-to completion)

An institution's eligible undergraduate Direct Loan borrowers who previously completed entrance counseling will be included in the experiment and information for students in both the treatment and control groups will be reported to the Department of Education. Approximately one-half of those borrowers to be randomly assigned to:

- A treatment group where the borrowers will be required to complete additional counseling, or
- A control group where the borrowers will not be required to complete additional counseling

This experiment will allow the Institution to provide additional loan counseling, beyond the statutorily required one-time entrance and one-time exit counseling, for certain undergraduate William D. Ford Direct Loan (Direct Loan) student borrowers as a condition for the student to receive Direct Loan funds.

If you are a past borrower and your last digit of your Social Security Number (SSN) is an even number (i.e. 0, 2, 4, 6, 8), you will be in the Treatment group and will be REQUIRED to complete the additional loan counseling session.

- Make sure to submit the Direct Loan Request form and that the following are completed at [www.studentloans.gov](http://www.studentloans.gov).
  - Master Promissory Note (MPN).
  - Mandatory Entrance Counseling.
  - Financial Awareness Counseling (Treatment Group)

References:

Section 485(l)(1)(A) of the HEA and 34 CFR 685.304(a)(1) and (a)(2) provide that an institution must ensure that entrance counseling is conducted with each Direct Loan student borrower prior to the first disbursement of a Direct Loan, unless the borrower has previously received a Direct Loan or a loan under the Federal Family Education Loan (FFEL) Program. Under the experiment, the Institution will be permitted to require additional loan counseling for Direct Loan borrowers included in the treatment group at the institution.

Participating institutions will require, as a condition for the student to receive Direct Loan funds, additional loan counseling for undergraduate Direct Loan borrowers, beyond the statutorily required

one-time entrance and one-time exit counseling. Inform each student in the treatment group that as part of an experiment with the Department of Education the student's Direct Loan disbursements are conditional upon completion of additional loan counseling.

Your success is important to us. We highly encourage that you make use of the free student support services on your campus and take appropriate steps to help ensure that you will succeed this semester.

Best wishes to your educational endeavors!

San Diego Miramar College  
Financial Aid & Scholarship Services Office

# San Diego Miramar College

## FEDERAL DIRECT SUBSIDIZED STUDENT LOAN REQUEST

### Direct Loan Program Packet Contents

1. *Federal Student Aid – Time limitation on Direct Subsidized Loan eligibility for First-Time Borrowers on or after July 1, 2013*
2. *Direct Loan Program Master Promissory Note instructions*
3. *2018-2019 Subsidized Direct Loan Application form*

#### Required Loan Steps:

1. Federal Direct Loan Entrance Counseling on the Web: <https://studentloans.gov>
2. Complete and sign the electronic Master Promissory Note (eMPN):  
<https://studentloans.gov>
3. See an Academic Counselor for an official Student Education Plan. Your stated Program of Study and Degree Objectives listed on the Loan Request form must match those indicated on your official Student Education Plan.
4. Fill in and submit the Federal Direct Subsidized Student Loan Request form to the Financial Aid office at San Diego Miramar College.

Effective with the 2017-2018 school year, San Diego Miramar College (along with City College and Mesa College) have been approved by the U.S. Department of Education to participate in a **Direct Loan Experimental Site Initiative** regarding "Over-borrowing" that allows our college to hold the loan disbursement until an additional loan counseling session is completed by the students included in the *Treatment Group*.



**As part of the Experimental Site Initiative, loan applicant students will be randomly selected to be part of either the Treatment Group or the Controlled Group. You will receive an email notification with the information if any additional steps are required from you.**

#### **REASONS FOR PARTICIPATION IN EXPERIMENTAL SITE INITIATIVE :**

- To help student borrower understand the full extent of their responsibilities and consequences.
- To help students understand and access resources available when facing repayment difficulties.
- To help students avoid defaulting on their federal student loans.
- To help students succeed in the achievement of their educational goal.

All Direct Loan information is current as of the printing of each individual publication.  
Please check the Department of Education's Direct Student Loan information on line regularly:

[www.studentloans.gov](http://www.studentloans.gov)

## Time Limitation on Direct Subsidized Loan Eligibility for First-Time Borrowers on or after July 1, 2013

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### Maximum eligibility period to receive Direct Subsidized Loans

There is a limit on the maximum period of time (measured in academic years) that 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. This is called your “maximum eligibility period”. You can usually find the published length of any program of study in your school’s catalog.

*For example, if you are enrolled in a 4-year bachelor’s degree program, the maximum period for which you can receive Direct Subsidized Loans is 6 years (150% of 4 years = 6 years). If you are enrolled in a 2-year associate degree program, the maximum period for which you can receive Direct Subsidized Loans is 3 years (150% of 2 years = 3 years).*

Your maximum eligibility period is based on the published length of your current program. This means that your maximum eligibility period can change if you change programs. Also, if you receive Direct Subsidized Loans for one program and then change to another program, the Direct Subsidized Loans you received for the earlier program will [generally](#) count against your new maximum eligibility period.

Click [here](#) to see some examples that show how your maximum eligibility period can change if you change programs.

### Periods that count against your maximum eligibility period

The periods of time that count against your maximum eligibility period are periods of enrollment (also known as “loan periods”) for which you received Direct Subsidized Loans.

*For example, if you are a full-time student and you receive a Direct Subsidized Loan that covers the fall and spring semesters (a full academic year), this will count as one year against your maximum eligibility period.*

If you receive a Direct Subsidized Loan for a period of enrollment that is shorter than a full academic year, the period that counts against your maximum usage period will generally be reduced accordingly.

*For example, if you are a full-time student and you receive a Direct Subsidized Loan that covers the fall semester but not the spring semester, this will count as one-half of a year against your maximum eligibility period.*

With one exception, the amount of a Direct Subsidized Loan you receive for a period of enrollment does not affect how much of your maximum eligibility period you have used. That is, even if you receive a Direct Subsidized Loan in an amount that is less than the full [annual loan limit](#), that lesser amount does not reduce the amount of your maximum eligibility period you have used. The one exception applies if you receive the full annual loan limit for a loan period that does not cover the whole academic year. In that case, the loan will count as one year against your maximum eligibility period regardless of your enrollment status (half-time, three-quarter time, or full-time).

Click [here](#) to see an example.

## Effect of borrowing while enrolled part-time

If you receive a Direct Subsidized Loan when you are enrolled less than full-time, the period that is counted against your maximum eligibility period will be reduced.

*For example, if you are enrolled half-time and receive a Direct Subsidized Loan for a period of enrollment that covers a full academic year, this will count as only one-half of a year against your maximum eligibility period.*

## Loss of eligibility for additional Direct Subsidized Loans and becoming responsible for paying interest on Direct Subsidized Loans

After you have received Direct Subsidized Loans for your maximum eligibility period, you are no longer eligible to receive additional Direct Subsidized Loans. However, you may continue to receive Direct Unsubsidized Loans.

In addition, if you continue to be enrolled in any undergraduate program after you have received

Direct Subsidized Loans for your maximum eligibility period, we will no longer (with certain exceptions) pay the interest that accrues on your Direct Subsidized Loans for periods when we would normally would have done so. The chart below provides examples of these circumstances.

Do I become responsible for paying the interest that accrues on my Direct Subsidized Loans because . . .	Yes	No
I am no longer eligible for Direct Subsidized Loans and I stay enrolled in my current program?	X	
I am no longer eligible for Direct Subsidized Loans, did not graduate from my prior program, and am enrolled in an undergraduate program that is the same length or shorter than my prior program?	X	
I transferred into the shorter program and lost eligibility for Direct Subsidized Loans because I have received Direct Subsidized loans for a period that equals or exceeds my new, lower maximum eligibility period, which is based on the length of the new program?	X	
I was no longer eligible for Direct Subsidized Loans, did not graduate from my prior program, and am enrolled in an undergraduate program that is longer than my prior program?		X
I lose eligibility for Direct Subsidized Loans and immediately withdraw from my program?		X
I graduated from my prior program prior to or upon meeting the 150% limit, and enroll in an undergraduate program that is the same length or shorter than my prior program?		X
I enroll in a graduate or professional program?		X
I enroll in preparatory coursework that I am required to complete to enroll in a graduate or professional program?		X
I enroll in a teacher certification program (where my school does not award an academic credential)?		X

Remember, your maximum eligibility period can change if you enroll in a different program. So, if you received Direct Subsidized Loans for your maximum eligibility period for one program and then enroll in a longer program, you will not become responsible for interest that accrues on your Direct Subsidized Loans.

If you meet any of the conditions on the prior page, you will become responsible for the interest

that accrues on your Direct Subsidized Loans, from the date of your enrollment after meeting the 150% limit, during periods when we would have normally paid the interest for you. Below is a chart that summarizes the periods when we normally pay the interest on your Direct Subsidized Loans, and an explanation and what happens after you become responsible for the interest.

Click [here](#) to see an example.

During what period am I responsible for paying the interest on my Direct Subsidized Loans . . .	Before meeting the 150% limit?	After meeting the 150% limit?
While enrolled in school at least half-time	No	Yes
During my grace period on loans first disbursed (paid out) July 1, 2013 through June 30, 2014	Yes	Yes
During my grace period on loans first disbursed (paid out) July 1, 2014 or after	No	Yes
During deferment periods	No	Yes
During certain periods of repayment under the Income-Based Repayment or Pay As You Earn Plan	No	Yes
During forbearance periods	Yes	Yes
During all other periods of repayment	Yes	Yes

If you become responsible for the interest that accrues on your Direct Subsidized Loans, any interest that you do not pay will be capitalized (added to your loan principal balance) at the end of the grace, deferment, or other periods. Capitalized interest increases your loan principal, increases your monthly payment

amount under most Direct Loan repayment plans, and causes you to pay more interest over the life of your loan.

Your federal loan servicer will notify you if you become responsible for paying the interest on your Direct Subsidized Loans.

### Regaining eligibility for Direct Subsidized Loans

If you become ineligible for Direct Subsidized Loans because you have received Direct Subsidized Loans for your maximum eligibility period, you may again become eligible to receive Direct Subsidized Loans if you enroll in a new program that is longer than your previous program.

Click [here](#) to see an example.

If you regain eligibility to receive additional Direct Subsidized Loans because you enrolled a program that is longer than your prior program and you previously became responsible for paying all of the interest that accrues on your Direct Subsidized Loans, we will pay the interest that accrues on your new loans during the periods described in the chart above.

## Direct Loan Program

### eMPN

Dear Borrower:

You have made a decision to apply for a Federal Student Loan. You have completed the Entrance Counseling Session for student borrowers OR you are a parent applying for a PLUS loan.

Student borrowers as well as a parent borrower are able to:

1. Use the multi-year functionality of the Master Promissory Note.
  - a. This means that you will only need to sign one promissory note for all the Federal Direct student loans that you take while a student at SD Miramar College. Students applying for a direct loan are subject to the restrictions under Experimental Site Initiative on Additional Loan Counseling.
  - b. That you will bear a greater level of awareness, responsibility and accountability on your total cumulative loan level.
  - c. The total cumulative amount that a student can borrow on a subsidized loan is \$23,000. There is no PLUS loan cumulative limit.
2. You can complete and sign the electronic Master Promissory Note (eMPN) on- line at <https://studentloans.gov>. You must use your PIN number to access the Entrance Counseling Session and to complete the Master Promissory Note.
  - a. The eMPN can be signed at any time. **However**, you will not have a student loan until you have completed the on-line Entrance Counseling, the “Student Loan Request” form, as well as signed the Promissory Note and any other requirements. For those notified that you have been randomly selected for the “Treatment Group”, you will also need to provide confirmation of completion of the required additional loan counseling.
  - b. The process to complete an eMPN is easy and user friendly. You will have to complete 9 Steps. If, you stop the process before finishing all 9 steps, you will have to start from the beginning with Step 1.
3. Once you have completed all 9 steps and printed your MPN, the U.S. Department of Education will up-date their database and sends an acknowledgement notification to our school.
  - a. If you choose to request a paper MPN, the US Department of Education will print and send you a copy of your MPN which you will return to them via the U.S. Postal Service.
4. The loan request must be processed and accepted by the Department of Education.
5. Provided that you meet all other conditions, time frames, loan eligibility requirements and if needed, having your appeal petition approved by the Appeal’s Committee, your loan funds will be disbursed as scheduled.

Sincerely,  
The Financial Aid Office Staff

## San Diego Miramar College 2018-2019 SUBSIDIZED DIRECT LOAN APPLICATION (LDLRQS-14)

Name: \_\_\_\_\_

LAST

FIRST

MIDDLE INITIAL

Student ID: \_\_\_\_\_ Current Program of Study \*\*: \_\_\_\_\_

\*\* as of July 1, 2013 All borrowers with a \$0 loan balance are required to get an official Student Education Plan matching the selected Program of Study listed above, unless otherwise instructed by the Financial Aid Office.

Degree Objective:  Cert  AA/AS  Complete my general education to then Transfer for a BA/BS

What will be your final semester attending Miramar College? : Semester: \_\_\_\_\_ Year: \_\_\_\_\_

Did you receive a loan at any other institution during Summer or Fall 2018?  YES  NO

The William D. Ford Federal Direct Student Loan program involves borrowing directly from the Federal Government.

- Although borrowing is not encouraged at a community college, you may borrow up to \$3,500 as a freshman student and up to \$4,500 as a sophomore student (with a valid educational program plan).
- YOU MUST REPAY ALL LOANS AND ACCRUED INTEREST (see brochure for more information). The interest rate on a Federal Direct Stafford Loan is currently (as of the date of this print) **4.45** percent for undergraduate students.

What Subsidized Loan amount do you want to borrow in 2018 – 2019? \$ \_\_\_\_\_

**Initial** Please read and initial the following statements.

- \_\_\_\_\_ I have completed the required Entrance Counseling session at <https://studentloans.gov> and I understand that I must complete an Electronic Promissory Note [EMPN] online at <https://studentloans.gov> to have this loan request process completed.
- \_\_\_\_\_ I understand that my loan request will not be processed until after my academic progress has been determined for the 2018- 2019 academic year.
- \_\_\_\_\_ I am required to pay an origination fee of 1.066% thru September 30, 2018. This fee will be deducted from the proceeds of my loan (Disclosure statement will be provided by the Loan Origination Center.) I am required to pay an origination fee of TBD (To be Determined by the U. S. Department of Education for each loan disbursed on or after October 1, 2018 and before October 1, 2019.
- \_\_\_\_\_ I must be actively enrolled in and attending at least 6 units to receive loan funds. At least 1 of these courses **MUST** be at Miramar College [totaling at least 6 units within the SDCCD]. Late start classes may delay disbursement of funds. If I drop below 6 units, my future loan eligibility for 2018-2019 may be recalculated. (I may not be eligible for the second disbursement.) I may not receive loan funds at any other institution during the period of my loan at Miramar College.
- \_\_\_\_\_ I understand that I must have at least 24 units of course work completed towards my current Program of Study and Degree Objective AND I must have a current official Student Education Plan accessible by the Financial Aid Office that matches my stated Program of Study and Degree Objective listed above \*\* in order to qualify for a sophomore level student loan. The Financial Aid Office will determine the actual loan amount for which I am eligible.
- \_\_\_\_\_ I must have verified financial need to qualify for a subsidized loan.
- \_\_\_\_\_ I understand that I should decide on an appropriate loan amount per academic year. Any request for additional loan funds may be subject to delay.
- \_\_\_\_\_ First time borrowers, with less than 24 units towards their stated program of study, per Educational Plan are subject to a 30 day delay in the disbursement of their first loan check. As of July 1, 2013 all new loan borrowers (*All borrowers with a \$0 loan balance*) are subject to the 150% rules. Please follow the following link to go directly to Direct Loan Counseling information: <http://ifap.ed.gov/eannouncements/attachments/051613DirectSubsidizedLoanLimit150PercentAnnounce1Attach.pdf>. If you meet this criteria, educational plan is needed with this application.
- \_\_\_\_\_ >>> **November 30, 2018** by noon is the last day to submit a loan request for the Fall 2018 semester. **May 3, 2019** by noon is the last day to submit a loan request for the Spring 2019 semester. **July 12, 2019** by noon for Summer 2019. <<<
- \_\_\_\_\_ I understand that I am *required* to attend a loan Exit Interview or complete an on-line exit counseling session at <https://studentloans.gov>, if I drop below half-time (6 units), or before I transfer to another college.
- \_\_\_\_\_ I have reviewed the *Examples of Debt Levels, Monthly Payments, and Total Amount Repaid for All Direct Loan Repayment Plans in; Your Federal Student Loans – Learn the Basics and Manage Your Debt* publication enclosed in the Student Loan Packet.
- \_\_\_\_\_ I understand that San Diego Miramar College may disclose information to third parties that the school district has authorized to assist the Financial Aid Office in administering the loan program.
- Can Educational Credit Management Corporation (ECMC) and its representatives call or text you at your current or future cell phone number(s) using an automated dialer? YES \_\_\_\_ NO \_\_\_\_
- \_\_\_\_\_ I understand that if randomly selected for the Treatment Group (see page 1), my loan will not be processed until the San Diego Miramar College Financial Aid Office has received confirmation that I have completed the additional loan counseling session.

Student's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

[ACTUAL WET SIGNATURE IN BLUE INK. NO JPG, PDF OR ELECTRONIC SIGNATURES ARE PERMITTED]

Complete reverse side



Name: \_\_\_\_\_ Student ID: \_\_\_\_\_  
LAST FIRST M.I.

Personal & Family References

Must Be Two different references with at least one family member (including two different complete addresses (eg., name, address, city, state and zip code), and phone number.  
[Please print]

1. NAME \_\_\_\_\_ RELATIONSHIP TO BORROW \_\_\_\_\_  
STREET ADDRESS \_\_\_\_\_  
CITY, \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
PHONE \_\_\_\_\_ EMAIL \_\_\_\_\_

2. NAME \_\_\_\_\_ RELATIONSHIP TO BORROW \_\_\_\_\_  
STREET ADDRESS \_\_\_\_\_  
CITY, \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
PHONE \_\_\_\_\_ EMAIL \_\_\_\_\_

-----FOR OFFICE USE ONLY-----

Date Loan Workshop Attended: \_\_\_\_\_  Independent  Dependent  
Term NSLDS Screen Print:  Program of Study (Major) Listed: \_\_\_\_\_  
COD Screen Checklist:  YES  Prior year  On-Line CIP code \_\_\_\_\_  
\*\*Grade Level: \_\_\_\_\_ Subsidized Loan Certified: \$ \_\_\_\_\_  
*(If the student does not have a prior student loan and has less than 24 units completed they are an 01.)*  
Loan Period:  Fall (08/21/18 – 12/16/18)  Fall & Spring (08/21/18 – 05/26/19)  Spring (01/30/19 – 05/26/19)  
 Summer ( \_\_\_\_\_ )  
Cum: Sub Total \$ \_\_\_\_\_ Unsub. Total \$ \_\_\_\_\_  
Prior Loan Period \_\_\_\_\_  
Loan Received elsewhere 2018-2019?  Yes \$ \_\_\_\_\_ .00 Semester(s) ( \_\_\_\_\_ )  No  
Consolidated Loan total \$ \_\_\_\_\_