Effective for the 2010-2011 academic aid year Belmont University will be participating in the Federal Direct loan Program.

The Federal Direct Loan program offers students and families a reliable source of funding, more lending and repayment options, reduced interest rates, increased payment flexibility, and guaranteed financial security of their loans. While volatility in the credit markets and reductions in lender subsidies have caused some lenders to stop making federal student loans or to stop offering borrower benefits and other services, the Direct Loan Program is not affected by such changes in the economy and can therefore provide a stable and predictable loan process. The Federal Direct Loan program also simplifies the overall loan process for our Belmont students and parents.

Federal Direct Stafford Loans
Direct Loans are low-interest loans for students and parents to help pay for the cost of a student’s education after high school. The lender is the U.S. Department of Education rather than a bank or other financial institution. With Direct Loans, you borrow directly from the federal government and have a single contact, the Direct Loan Servicing Center, for everything related to the repayment of your loans, even if you receive Direct Loans at different schools.

Types of Federal Direct Stafford Loans
- **Subsidized:** for students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace period, and during deferment periods. Repayment begins following a six-month grace period after you graduate, leave school, or cease being enrolled as at least a half-time student.
- **Unsubsidized:** not based on financial need; interest is charged during all periods, even during the time a student is in school and during grace and deferment periods. Repayment begins following a six-month grace period after you graduate, leave school, or cease being enrolled as at least a half-time student.

Federal Direct Stafford Loan Annual Borrowing Limits
The maximum amount you can borrow in Direct Subsidized and Unsubsidized Loans depends on your grade level and on whether you are a dependent student or an independent student. The following table shows the maximum amount of money you may borrow each academic year in Direct Subsidized and Unsubsidized Loans:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Dependent student</th>
<th>Independent student</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st-year undergraduate (Freshman)</td>
<td>$5,500 (maximum $3,500 subsidized)</td>
<td>$9,500 ($3,500)</td>
</tr>
<tr>
<td>2nd-year undergraduate (Sophomore)</td>
<td>$6,500 ($4,500)</td>
<td>$10,500 ($4,500)</td>
</tr>
<tr>
<td>3rd- and 4th-year undergraduate (Junior &amp; Senior)</td>
<td>$7,500 ($5,500)</td>
<td>$12,500 ($5,500)</td>
</tr>
<tr>
<td>Graduate/professional</td>
<td>NA</td>
<td>$20,500 ($8,500)</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>NA</td>
<td>$33,000 ($8,500)</td>
</tr>
</tbody>
</table>

1. Except those whose parents are unable to borrow a PLUS loan.
2. These limits also apply to dependent students whose parents are unable to borrow a PLUS loan.
3. The numbers in parentheses represent the maximum amount that may be subsidized.

How to Apply for a Federal Direct Stafford Loan
- To take out a Direct Loan for the first time, you must complete a Master Promissory Note (MPN). You can complete the MPN online at the Direct Loans Master Promissory Note website: [dienote.ed.gov](http://dienote.ed.gov/empl). The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees. It also explains the terms and conditions of your loan(s).
- To complete an MPN online, you will be required to use your Department of Education-issued PIN. If you do not have a PIN, you may request one from the official PIN site: [www.pin.ed.gov](http://www.pin.ed.gov).
- If you wish to borrow less than the amount listed on your award letter, complete the Loan Cancellation/Reduction form. You may access this form online at [www.belmont.edu/sfs](http://www.belmont.edu/sfs) by clicking on the Forms and Helpful Links tab.
- In most cases, once you’ve submitted the MPN and it’s been accepted, you won’t have to fill out a new MPN for future loans you receive. You’ll receive a disclosure statement that gives you specific information about any loan that will disburse under your MPN, including the loan amount, fees, and the expected disbursement dates and amounts. (Loans cannot disburse to your student account until 10 days prior to classes beginning.)

Please remember: Your Stafford MPN must be completed at least ONE MONTH prior to the university published payment due dates. (You can access the dates online at [www.belmont.edu/sfs](http://www.belmont.edu/sfs) by clicking on Registration and Payment Dates.)

**Entrance Counseling**
You must complete entrance counseling before the first disbursement of your loan can be applied to your account. Entrance counseling helps you to understand your responsibilities regarding your loan.
- You can complete entrance counseling online at [www.dl.ed.gov](http://www.dl.ed.gov).
- Select the Question Center tab
- Select Counseling Sessions under Tools & Planning
- Select GO under the Entrance Counseling section

**BE ADVISED:** You must be degree seeking and enrolled at least half-time (undergraduates: six credit hours; and graduates: three credit hours) to borrow federal loan money.

For undergraduate students: During the loan certification process, if the number of completed credit hours differs from the student reported grade level on the Free Application for Federal Student Aid (FAFSA), the Federal Direct Stafford loan amount(s) must be adjusted accordingly. Your earned credit hours and financial need determine the amount you are eligible to borrow.

Belmont’s undergraduate grade levels are determined by the number of earned hours below:
- **Freshman** 0-29
- **Sophomore** 30-63
- **Junior** 64-93
- **Senior** 94+

Belmont’s undergraduate grade levels are determined by the number of earned hours below:
Direct Parent PLUS Loans

Direct Parent PLUS Loans: credit-based loans for the parents of dependent students. Parents may apply for these loans and, if approved, may use the funds to help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods. Note: PLUS loan borrowers cannot have an adverse credit history (a credit check will be done).

Parent eligibility requirements for a Direct PLUS Loan
You must be the student’s biological or adoptive parent or the student’s stepparent, if the biological or adoptive parent has remarried at the time of application. Your child must be a dependent student who is enrolled at least half-time. For financial aid purposes, a student is considered “dependent” if he or she is under 24, unmarried, and has no legal dependents at the time the Free Application for Federal Student Aid is submitted. (Exceptions are made for veterans, wards of court, and other special circumstances.) If a student is considered dependent, then the income and the assets of the parent have to be reported on the FAFSA. In addition, parents and their dependent child must be U.S. citizens or eligible noncitizens, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the Federal Student Aid programs.

How to Apply for a Federal Direct Parent PLUS Loan
• To take out a Direct Loan for the first time, you must complete a PLUS Application and Master Promissory Note (PLUS MPN). You can complete the PLUS MPN online at Direct Loans Master Promissory Note website: dlenote.ed.gov/empn. The PLUS MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department. It also explains the terms and conditions of your loan(s).
• Complete the Federal Direct Parent PLUS Loan Credit Application. This form is available on our website, www.belmont.edu/sfs, under Forms and Helpful Links. The parent borrower must complete and sign this form to authorize a credit check by the U.S. Department of Education.
• If you are borrowing Direct PLUS Loans for more than one student, you’ll need to complete a separate PLUS MPN for each one. To complete an PLUS MPN online, you will be required to use your Department of Education-issued PIN (not your student’s). If you do not have a PIN, you may request one from the official PIN site: www.pin.ed.gov.
• In most cases, once you’ve submitted the PLUS MPN and it’s been accepted, you won’t have to fill out a new PLUS MPN for future loans you receive, but will need to complete a Federal Direct PLUS Loan Credit Application for future aid years. You’ll receive a disclosure statement that gives you specific information about any loan that will disburse under your PLUS MPN, including the loan amount, fees, and the expected disbursement dates and amounts. (Loans cannot disburse to your student account until 10 days prior to classes beginning.)

Be Advised: Your PLUS MPN must be completed at least ONE MONTH prior to the university published payment due dates. (You can access the dates online at www.belmont.edu/sfs by clicking on Registration and Payment Dates.)

When you apply for a Direct PLUS Loan, the Department will check your credit history. If you are determined to have an adverse credit history, you may still receive a Direct PLUS Loan if you obtain an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay the loan. If you are a parent borrowing on behalf of your dependent student, the endorser may not be the student on whose behalf a parent obtains a Direct PLUS Loan. In some cases, you may also be able to obtain a Direct PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history.

If you are still denied the PLUS loan, students will gain additional Unsubsidized Federal Direct Stafford Loan eligibility. (Please see the Independent student annual borrowing limits.) Students must request the additional funds by completing the PLUS Denial/Request for Unsubsidized Loan form. You may access this form online at www.belmont.edu/sfs by clicking on the Forms and Helpful Links tab.

Be Advised: Students must be degree seeking and enrolled at least half-time (undergraduates: six credit hours) to borrow federal loan money.

Direct Graduate PLUS Loans

Graduate PLUS Loan: credit-based loans for graduate students. Graduate students may apply for these loans and, if approved, may use the funds to help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods. Note: PLUS loan borrowers cannot have an adverse credit history (a credit check will be done).

If you are applying for a Direct PLUS for the first time as a graduate/professional student, you’ll need to complete and sign a PLUS MPN that is separate from the one that you use for your Direct Subsidized and Unsubsidized Loans.

How to Apply for a Federal Direct Graduate PLUS Loan
• To take out a Direct Loan for the first time, you must complete a PLUS Application and Master Promissory Note (PLUS MPN). You can complete the PLUS MPN online at Direct Loans Master Promissory Note website: dlenote.ed.gov/empn. The PLUS MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department. It also explains the terms and conditions of your loan(s).
• Complete the Federal Direct Graduate PLUS Loan Credit Application. This form is available on our website, www.belmont.edu/sfs, under Forms and Helpful Links. You must complete and sign this form to authorize a credit check by the U.S. Department of Education.
• To complete a PLUS MPN online, you will be required to use your Department of Education-issued PIN. If you do not have a PIN, you may request one from the official PIN site: www.pin.ed.gov.
• In most cases, once you’ve submitted the PLUS MPN and it’s been accepted, you won’t have to fill out a new PLUS MPN for future loans you receive, but will need to complete a Federal Direct Graduate PLUS Loan Credit Application for future aid years. You’ll receive a disclosure statement that gives you specific information about any loan that will disburse under your PLUS MPN, including the loan amount, fees, and the expected disbursement dates and amounts. (Loans cannot disburse to your student account until 10 days prior to classes beginning.)

Entrance counseling
You must complete entrance counseling before the first disbursement of your loan can be applied to your account. Entrance counseling helps you to understand your responsibilities regarding your loan.
• You can complete entrance counseling online at www.dl.ed.gov.
• Select the Question Center tab
• Select Counseling Sessions under Tools & Planning
• Select GO under the Entrance Counseling section

Please remember: Your Graduate PLUS MPN must be completed at least ONE MONTH prior to the university published payment due dates. (You can access the dates online at www.belmont.edu/sfs by clicking on Registration and Payment Dates.)

When you apply for a Direct Graduate PLUS Loan, the Department will check your credit history. If you are determined to have an adverse credit history, you may still receive a Graduate PLUS Loan if you obtain an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct Graduate PLUS Loan if you do not repay the loan. In some cases, you may also be able to obtain a Direct Graduate PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history.

Be Advised: Students must be degree seeking and enrolled at least half-time (graduates: three credit hours) to borrow federal loan money.
Frequently Asked Questions

1. **When should I complete my MPN for Direct Stafford/PLUS/Grad PLUS?** To ensure your loans are processed for the requested term, new MPNs should be complete by July for the fall, November for the spring, and May for the summer.

2. **Do I need to complete a new MPN for the Direct Stafford Loan each school year?** No. You may borrow under the same MPN’s for up to 10 years. However, for Parent PLUS and Graduate PLUS loans, you must complete a loan request form each year for a new pre-approval and credit check.

3. **How long does it take for the loan to be processed once received by Belmont?** Please allow 3-4 weeks for loan processing.

4. **Why can’t I borrow any amount I want as I’ll be responsible for repaying the loans?** Federal guidelines require schools to create a yearly Cost of Attendance that includes allocations for living expenses, personal expenses, and transportation, as well as tuition, fees, and books. Your total financial aid package cannot exceed this Cost of Attendance. Federal guidelines also establish the maximum amount of Stafford loans students can borrow each year.

5. **Why do I need to complete a FAFSA? How does my FAFSA information affect the financial aid that I’m awarded?** Your FAFSA determines what type of financial aid you are eligible to receive. Direct Stafford loans, Perkins loans, Pell Grants, Institutional Aid, and many other programs are dependent upon your level of financial need. Tennessee residents who qualify must complete a FAFSA to receive the Tennessee HOPE Lottery Scholarship. Completing a FAFSA will allow you access to the broadest range of financial assistance.

6. **If I previously borrowed federal loans at another university, do I need to complete a new MPN?** Most students and parents will need to complete a new Federal Direct Loan MPN and Entrance Counseling for each loan type they wish to borrow. Unless you have previously borrowed through the Federal Direct Loan program and have a valid MPN on file with the Department of Education, you will need to complete a new MPN to receive loan funds at Belmont.

### Perkins Loans

You may have been awarded a Federal Perkins Loan for the upcoming 2010-2011 academic year. The Perkins Loan is a federally guaranteed student loan with a low interest rate of five percent. The interest does not accrue until repayment begins. Repayment will begin after a nine-month grace period once you cease being enrolled half-time.

**BE ADVISED:** If you are eligible to receive a Federal Perkins Loan for the 2010-2011 academic year, it will automatically be awarded to you. Federal Perkins Loans are awarded on the basis of financial need and are limited due to the availability of funds.

If you have been awarded a Federal Perkins Loan, we are providing you with the option of completing and signing the Federal Perkins Master Promissory Note and entrance counseling online. Below you will find all information pertaining to the acceptance and authorization for disbursement of your Federal Perkins Loan.

**How to Accept Your Perkins loan**

The electronic procedure for Perkins borrowers is as follows:

1. Log on to Belmont’s Perkins loan billing service’s (Educational Computer Systems, Inc.) web site at [http://www.ecsi.net/promm8](http://www.ecsi.net/promm8).
2. Provide your Social Security Number, last name, and date of birth.
3. Provide your Free Application for Federal Student Aid (FAFSA) Personal Identification Number (PIN) when requested on the Student Authentication Network page. (If you do not have a valid PIN, you must go to the Department of Education’s PIN site at [http://www.pin.ed.gov](http://www.pin.ed.gov))
4. You must provide complete reference information for yourself, next of kin and two additional references. Failure to complete all lines accurately will keep this loan from disbursing to your account. Most pages require that you accept the terms by checking a box at the bottom of the page.
5. PROMISSORY NOTE – Read completely. Electronically sign at the bottom of the promissory note page. The electronic signature includes a check-off box plus your full legal name.

It is important that you complete this process as soon as possible. Your loan cannot be disbursed to your student account until all online documents are accurately completed. Also, please keep in mind that your loan cannot disburse prior to 10 days before classes begin. Your electronic Federal Perkins Master Promissory Note will be reviewed by Student Financial Services before any funds are disbursed. If there are any issues, you will be notified by either e-mail or a letter.

If you wish to borrow less than the amount awarded, or if you are not interested in borrowing the Federal Perkins loan, please email finaid@belmont.edu to reduce or decline the loan. Please contact Student Financial Services if you have any questions.