

Notice To All U.S. Student Borrowers:
Participation in the Direct Loan Program Begins July 1, 2010

NSCAD University will participate in the William D. Ford Federal Direct Loan (Direct Loan) Program beginning July 1, 2010. Students from the United States (U.S.) who attended our school previously received loans through the Federal Family Education Loan (FFEL) Program. However, all U.S. students will now borrow through the Direct Loan Program. The Direct Loan Program offers the same types of loans as the FFEL Program, and Direct Loans generally have the same terms and conditions as FFEL Program loans. However, instead of a bank lending the money, the **U.S. Department of Education lends the money directly to students through the student's school.** There are also some differences in the names of the loans. The FFEL Program's Federal Stafford Loans (subsidized and unsubsidized) are called Direct Subsidized Loans and Direct Unsubsidized Loans in the Direct Loan Program.

How to apply for a Direct loan (All 4 steps must be completed for the loan money to be released)

- ❑ Complete the FAFSA at <http://www.fafsa.ed.gov>. You will need a pin number for your signature. If you do not have one you can apply on line at www.pin.ed.gov. If you are a dependent student your parent will need to sign the FAFSA with a pin number as well. They can obtain this pin number at www.pin.ed.gov.
- ❑ Complete a Master Promissory Note (MPN) at www.studentloans.gov. You will need your pin number from the FAFSA to complete this step.
- ❑ Complete a Request letter indicating how much you would like to borrow up to the maximum of your academic level (eg. Sophomore \$4,500 + \$2,000). This letter is on our website at www.nscad.ca: Student Finances: Request Letter. You can either scan & email it to me at bkehoe@nscad.ca or fax it to me at 1-902-425-2987.
- ❑ An Entrance Interview is required. This can be done at www.mappingyourfuture.org. Choose Entrance Counseling: Stafford Loan: select country: select school and proceed thru the next 6 steps.

Parent Plus Loan

Parents of dependent students may apply for a Parent Plus loan to help their son/daughter through post secondary education. This is the parent's loan but made available to the student for college costs. A credit check is done on the parent applying for the loan. Parents may borrow up to the amount of what it costs the student to attend a year at NSCAD, minus any grants, scholarships, Direct loans.

To apply for the Parent Plus loan go to www.studentloans.gov and sign in with your pin number, then follow the directions for doing the Master Promissory Note for a Parent Plus loan.

Note: If your credit check results in an adverse credit history determination, you will receive information from the US Department of Education about the endorser and extenuating circumstance options. If you are a parent and neither of these is a viable option, your dependent student will be eligible to receive additional Direct Unsubsidized Loan funds in the amount of \$4,000 for freshmen and sophomores and \$5,000 for juniors and seniors. However, students cannot go beyond the aggregate amount as shown in the chart below.

Loan Limits

The federal government sets limits on the amount of money a student can borrow. The annual limit applies to the most a student can borrow in one academic year, while the aggregate limit applies to the maximum a student can borrow in a lifetime.

Grade in School	Annual Loan Limits		Aggregate Loan Limits	
	Base Amount	Additional Unsubsidized	Subsidized Limit	Overall Limit
Undergraduate Dependent			\$ 23,000	\$ 31,000
First Year	\$ 3,500	\$ 2,000		
Second Year	\$ 4,500	\$ 2,000		
Third Year and beyond	\$ 5,500	\$ 2,000		
Undergraduate Independent			\$ 23,000	\$ 57,500
First Year	\$ 3,500	\$ 6,000		
Second Year	\$ 4,500	\$ 6,000		
Third Year and beyond	\$ 5,500	\$ 7,000		

*Undergraduate Dependent students whose parents are unable to borrow a PLUS loan will be eligible for the Undergraduate Independent loan limits.

Additional Information

In order to remain in the Direct Loan Program, students need to be full time or, in extenuating circumstances, at least half time status. They must also meet and maintain Satisfactory Academic Progress (SAP) on our website at www.nscad.ca, Student Resources: US SAP Policy.

The MPN is the legal document through which you promise to repay your Direct Loans and any accrued interest and fees to the Department. It also explains the terms and conditions of your loans. You will need to complete a new Direct Loan MPN each academic year that you receive a Direct Subsidized Loan and/or a Direct Unsubsidized Loan at NSCAD.

Exit Counseling

The federal government requires that students participate in loan counseling prior to leaving, withdrawing or graduating from the school at which they received a Direct Loan. To complete the Exit Counseling go to www.mappingyourfuture.org: Exit counseling: Stafford Exit: Select country: Select school and then proceed thru the next steps. You will need your FAFSA pin number to get into this website.

Consolidating FFEL Program Loans into the Direct Loan Program

If you already have FFEL Program loans and will now be receiving Direct Loans, consolidating your FFEL and Direct Loan program loans together into a Direct Consolidation loan may make loan repayment easier. If you consolidate, you will have just a single monthly payment. Consolidating your FFEL Program loans into a Direct Consolidation Loan may also allow you to take advantage of certain benefits

that are offered only in the Direct Loan Program, such as Public Service Loan Forgiveness and the Income Contingent Repayment Plan.

To learn more about when you may consolidate, the pros and cons of doing so, and the application process, visit www.loanconsolidation.ed.gov or call 800/557-7392 (TDD/TTY: 800/557-7395).

For additional information about Direct Loans, visit <http://www.direct.ed.gov/student.html> or contact me at bkehoe@nscad.ca or call me at 1-902-494-8130 for more information.