



WILLIAM D. FORD FEDERAL DIRECT STUDENT LOAN INSTRUCTIONS FOR NEW BORROWERS

The federal government requires that all new Direct Student Loan borrowers complete an **Entrance Counseling Tutorial & Quiz** and sign a **Master Promissory Note (MPN)** before receiving any loan funds. The entrance counseling session provides you with information about your Direct Loan and will take about 20-30 minutes to complete. The MPN is the agreement between you (the borrower) and the U.S. Department of Education (the lender). It explains the terms and conditions of your loan, and should take about 30 minutes to complete.

STEP 1: Log on to www.dl.ed.gov:

- Click on '**Entrance & Exit Counseling**'.
- Under '**Entrance Counseling**' click on 'Go'.
- Under '**Stafford Loan**' click on '**Tutorial and Quiz (New Session)**'.
- Read through the information pages.
- Complete the quiz at the end of the information pages. You will need to answer at least 12 out of 15 correctly to pass.
- After you have passed the quiz, login either with your federal PIN number or by name, social security number and date of birth.
- Print the **Rights and Responsibilities Checklist** and submit it with your Direct Loan application.

STEP 2: If you already have a federal PIN number (the same PIN that is used for FAFSA) skip to Step 3.

- Apply for a PIN number at www.pin.ed.gov. You can view your PIN instantly online or immediately receive it by e-mail. You can also have your PIN sent by postal mail within 7-10 days.
- If you previously received a PIN number and would like a copy of it, request a duplicate PIN instead.

STEP 3: Sign your MPN electronically at www.dlenote.ed.gov:

- Select Subsidized/Unsubsidized for the MPN type. (Even if you are a graduate student, this is the MPN you need to sign. **Do not select the one for the Graduate PLUS Loan.**)
- Complete **all** steps in your MPN (Steps 1 through 9).

STEP 4: Complete your **Summer 2009/Fall 2009/Spring 2010** electronic Direct Loan application at www.cuny.edu after your **2009-2010 FAFSA** has been processed:

- Click on '**Log-in**' at the bottom of the left navigation bar.
- If you do not have a username and password, go to '**Register Now**' to apply for one.
- Enter your username and password.
- Scroll down to '**Apply to CUNY**' and click on '**CUNY'S Online Center for Admissions and Financial Aid**'.
- Click on '**Financial Aid**' on the left navigation bar.
- Go to '**Application Status**' from the drop-down menu.
- Click on '**Direct Loan Request Form**'.
- Complete and submit your Direct Loan application.

If you are unable to submit your loan application electronically, you can print the 2009-2010 Direct Loan application from <http://johnjay.jjay.cuny.edu/os/formsapplications.asp> and submit it to One Stop instead.

DIRECT STUDENT LOAN INFORMATION

You must be registered at least half-time (6 or more equated credits) in a degree program for each period that you are requesting the loan.

A Direct Loan origination fee will be deducted from each loan disbursement as follows:

- 3% on loans first disbursed prior to July 1, 2007
- 2.5% on loans first disbursed from July 1, 2007 to June 30, 2008
- 2.0% on loans first disbursed from July 1, 2008 to June 30, 2009
- 1.5% on loans first disbursed from July 1, 2009 to June 30, 2010.

All loans will be divided in at least **two** disbursements. For example, a Fall/Spring loan will be disbursed half in the fall and the remaining half in the spring semester. If the loan is for one semester only, there will still be at least two disbursements within the semester.

The first loan disbursement for **new** borrowers is generally in October for the fall semester and March for the spring semester. After your loan is certified by the college, you will receive a disclosure statement in the mail with the expected disbursement dates and amounts. **If the loan is being used for tuition and/or books, these will be deducted before the remaining loan funds are mailed to you.** If you have a checking or savings account, you can sign up for Direct Deposit at the Bursar's Office in Room 522T.

You have a responsibility to contact the Direct Loan Servicing Center and the Financial Aid Office and also to complete exit counseling before you **graduate, leave school, or drop below half-time enrollment** (less than 6 equated credits). Any loan funds that have not yet been disbursed **cannot** be paid to you after you drop below half-time enrollment. In addition, repayment of your loan begins **6** months after you graduate, leave school, or drop below half-time enrollment. There is no penalty for pre-paying your loan(s). If you would like to begin repaying your loan(s) early, you can contact the Direct Loan Servicing Center at (800)848-0979.

Direct Student Loans first disbursed July 1, 2006 and after have a **fixed interest rate of 6.8%**. However, **subsidized loans** (need-based loans on which no interest is charged while you are enrolled at least half-time (6 credits) and during grace or deferment periods) will have a **5.6%** rate **for undergraduate students only** on loans first disbursed July 01, 2009 through June 30, 2010.

The Direct Loan Servicing Center may offer an upfront rebate which you get to keep if you make your first 12 payments on time. If you are receiving a rebate, this information will be in the correspondence that you receive from the Direct Loan Servicing Center.

If you are temporarily unable to make payments, you may be able to avoid default by contacting the Direct Loan Servicing Center at (800)848-0979 to find out if you are eligible for a deferment or forbearance. You can also download deferment and forbearance applications at www.dl.ed.gov under 'FORMS'.

If you have any further questions about Direct Loan eligibility, you can contact Suzette Mahato in the Financial Aid Office at directloans@jjay.cuny.edu or (212)484-1322.

SOME USEFUL CONTACTS AND WEBSITES:

Direct Loan Master Promissory Note (MPN):	www.dlenote.ed.gov
Direct Loan Servicing Center: (800)848-0979	www.dl.ed.gov
Direct Loan Consolidation Center (800)557-7392	www.loanconsolidation.ed.gov
Free Application for Federal Student Aid: (800)433-3243	www.fafsa.ed.gov
Federal Student Aid PIN: (800)433-3243	www.pin.ed.gov
Financial Aid Office: (212)237-8149	directloans@jjay.cuny.edu
National Student Loan Data System:	www.nsls.ed.gov

(NSLDS is a database where borrowers can access their federal student loan information using their federal PIN.)