

EDUCATIONAL LOANS

Federal Direct Student Loan Programs

Long Island University participates in the Federal Direct Student Loan Programs, including Subsidized, Unsubsidized, Parent PLUS and Graduate PLUS Loans. To find out which of these loans are available to you, simply read your Financial Aid Award Notice or access your My.LIU account, which lists your eligibility for any or all of these programs as well as the maximum amount you are allowed to borrow.

If you are a dependent student, the Federal Direct Parent Loan for Undergraduate Students (PLUS) is also available for your parent(s). If you are a graduate student, the Federal Direct Graduate PLUS Loan is available to you.

Since loans are a serious obligation, we hope you will take advantage of all the information available to you on the Internet and on our office's website. There are two specific websites offered by the U.S. Department of Education that provide a wealth of information about Federal Direct Student Loans. The first, which helps you to complete a required "Entrance Counseling," is Direct Loan Servicing On-line www.studentloans.gov.

Federal Direct Subsidized Loans:

The Subsidized Loan is available to undergraduate students demonstrating financial need as determined by the federal government and the Integrated Student Financial Services office. It is repayable at a very low variable interest rate six months after graduation or termination of half-time studies. The six-month grace period may vary according to various borrowing histories. As of July 1, 2012 the interest rate for undergraduate students is a fixed 6.8%.

Federal Direct Unsubsidized Loans:

The Unsubsidized Loan is available to independent students, dependent students, and to students who do not demonstrate financial need (see the charts on the following pages). They are offered at a low variable interest rate and repayment of interest begins 60 days after disbursement of loan proceeds, while the student is still in school. Interest payments are made quarterly (every three months). For sample interest payments see the "Sample Repayment Chart for Unsubsidized Loans" in this brochure. As of July 1, 2012 the interest rate is a fixed 6.8% for all borrowers (undergraduate and graduate).

Federal Direct Parent Loan for Undergraduate Students (PLUS):

If you are a dependent student, a Parent PLUS Loan will be offered in your financial aid award notice and is meant for your parent's consideration. Parent borrowers have the option of beginning repayment on the loan either 60 days after the loan is fully disbursed or six months after their student graduates, or ceases to attend at least half-time. The interest rate for PLUS Loans as of July 1, 2012 was 7.9%. To qualify, parents must have a satisfactory credit history, but an endorser (co-signer) is permitted if the initial loan is denied. If a parent is unable to secure an endorser the student may be eligible to apply for increased eligibility for an Unsubsidized Loan. Amounts borrowed are also linked to the number of cumulative credits earned.

For eligible parents in repayment, interest and principal may be deferred for those who meet economic hardship, forbearance, or educational criteria set by the federal government and these loans can be capitalized.

Federal Direct Graduate (PLUS) Loans:

Graduate students may be offered a Graduate PLUS Loan on their financial aid award notice, which will indicate the maximum that may be borrowed for the academic year. Repayment of this loan begins 60 days after loan disbursement. The interest rate for Graduate PLUS Loans as of July 1, 2012 was 7.9%.

To qualify, you must have a satisfactory credit history, and an endorser (co-signer) is permitted if the initial loan is denied. For eligible students, interest and principal may be deferred for those who meet economic hardship, forbearance, or educational criteria set by the federal government and these loans can be capitalized.

All graduate students interested in borrowing from the Graduate PLUS Loan Program must complete an electronic loan Entrance Counseling session before a loan will be authorized. This loan counseling session is different from the one students take for the Subsidized and Unsubsidized Loan Program and is an additional requirement.

Accepting/Reducing and Declining Federal Direct Student Loans

Accepting Loans:

First-Time Loan Borrowers:

- 1) Accept your loans online at my.liu.edu
- 2) Complete an electronic "Entrance Counseling" at www.studentloans.gov
 - a. Entrance Counseling is a loan borrower's major source of information on the loans and the federal government requires that you complete an "Entrance Counseling" before your loan may be disbursed.
 - b. Financial aid counselors are available to answer any questions you may have regarding borrowing educational loans
- 3) Sign your electronic Promissory Note (MPN) at www.studentloans.gov. This is a master promissory note which means you may not need to complete it again if you borrow every year. This MPN is archived with the federal government and all future disbursements are charged to this original MPN. Direct Loans will send you a "Disclosure Statement" for every Direct Loan that is borrowed.

The University processing center will send you a notice after a loan has been disbursed to your account notifying you that you have 14 days in which to cancel your loan. If the above steps are not completed in a timely manner, ISFS will cancel any Federal Direct Student Loans you may have been awarded, and no funds will be disbursed to your account. Visit our website at www.liu.edu/brooklyn/financial-services for more information on educational loan borrowing.

Continuing Loan Borrowers (Borrowers Who Signed a Master Promissory Note (MPN) in a Previous Academic Year):

If you are a continuing student, registered for at least 6 credits, your loans will be processed unless you decline them. You do not have to sign a new MPN if you have borrowed direct loans the preceding year. As long as you want the loan(s) for the exact amount that appears on your award notice, you don't need to do anything. Once your loan is processed and disbursed by COD they will send you a "Disclosure Statement."

Parent PLUS and Graduate PLUS Loans:

- 1) Complete an electronic MPN at www.studentloans.gov
 - a. The parent borrowing the loan must sign the MPN with their own federal PIN; this is different from the student's federal PIN. A PIN can be requested at www.pin.ed.gov
 - b. Complete the 'Loan Adjustment Form' on the back of this guide.
 - c. If you wish to accept the full amount of the PLUS loan, in the Request to Accept Federal Direct PLUS Loans, check the line that starts "My parent wishes to accept the full amount of the Fed. Direct PLUS". The full amount is the amount indicated on the 2012-2013 Financial Aid Award Notice.
 - d. If you wish to accept a lower amount, in the first section of the Loan Adjustment

Form, check 'Reduce my parent(s) Federal Direct PLUS Loan. Indicate the original amount and the new amount being requested.

- e. Both the student and the parent who is borrowing the PLUS loan must sign the Loan Adjustment Form.
- 1) A printed copy of the MPN along with the 'Loan Adjustment Form' must be given to the ISFS Office.
- 2) Credit check will be completed by Direct Loans – disbursement is contingent upon the success of the credit check. If the loan is denied, the borrower may seek an endorser (co-signer).
- 3) To find out if the PLUS loan has been disbursed, check you My LIU account on the first disbursement date for the term of your loan or 20 days after submitting the PLUS documents, whichever is later.

Graduate PLUS Loans

- 1) Complete an electronic 'Entrance Counseling' at www.studentloans.gov. This loan counseling session is different from the one for the Subsidized and Unsubsidized Loan program.
- 2) Complete an electronic MPN at www.studentloans.gov
- 3) Complete the 'Loan Adjustment Form' on the back of this guide.
 - a. If you wish to accept the full amount of the PLUS Loan, in the 'Request to Accept Federal Direct PLUS Loans, check the line that starts 'I wish to accept the full amount of the Fed. Direct Graduate PLUS. The full amount is the amount indicated on the 2012-2013 Financial Aid Award Notice.
 - b. If you wish to accept a lower amount, in the section of the Loan Adjustment Form check 'Reduce my Federal Direct Graduate PLUS Loan. Indicated the original amount and the new amount being requested.
 - c. Complete and sign the bottom portion of the form.
- 4) A printed copy of the Entrance Counseling, MPN and Loan Adjustment Form must be given to the ISFS Office.
- 5) Credit check will be completed by Direct Loans – disbursement is contingent upon the success of the credit check. If the loan is denied, you may seek an endorser (co-signer).
- 6) To find out if the PLUS loan has been disbursed, check your My LIU account on the first disbursement date for the term of your loan, or days after submitting the PLUS documents whichever is later.

Some important information regarding PLUS Loans:

- 1) If a graduate student or a parent borrowed a PLUS loan from L.I.U. in the prior year, signing a new MPN is not necessary unless an endorser was used in the previous year. A copy of last year's MPN can be printed from <http://www.studentloans.gov> and should be submitted with the completed "Loan Adjustment" form for the process described above. However, if an endorser was used with that loan, a new MPN is required.
- 2) If a PLUS loan is denied due to a credit or co-signer issue, the borrower has 90 days from the notification the Direct Loan Servicer sends to finalize the loan request. This includes finding a new co-signer, applying for a new loan, etc.

Changing Loans (Amount of Loan or Period of the Loan):

If you wish to borrow less or you want to change the period of the loan (summer/fall instead of fall/spring), you must complete the "Loan Adjustment Form" (last page of this publication). Once completed, submit the form to the Integrated Student Financial Services Office.

Students requesting adjustments to their loans after they are disbursed must receive permission from this office (on the Loan Adjustment Form) before any action can be taken. All or part of refunds disbursed as a result of the loan may need to be returned before a loan can be adjusted.

For parents wishing to change their Parent PLUS Loan amount, their signature is also required on the

“Loan Adjustment Form.”

Applying for a Federal PIN:

YOU MUST KNOW YOUR PIN to electronically complete your Entrance Counseling or MPN. For students, this Personal Identification Number (PIN) was sent to you via mail or email by the federal government after you completed the FAFSA or Renewal FAFSA. To apply for or retrieve a lost PIN go to www.pin.ed.gov If you are a dependent student one of your parents will need their own PIN to sign either your FAFSA, and/or their MPN.

A PIN allows you to sign FAFSA applications electronically, complete your Loan Entrance Counseling, sign your MPN, Log in to view and keep abreast of your loan accounts and more.

To apply for a PIN go to www.pin.ed.gov and click Apply for a PIN; you will need your SS number, date of birth and full name, home and/or email address. If you complete the process with your email, you will receive within 1-3 days; regular mail within 7-10 days.

To request a duplicate PIN, go to www.pin.ed.gov and click Request a Duplicate PIN>

Declining Loans:

If you wish to decline one or all of your loan(s), you may do so online at www.my.liu.edu. Please note that if your loan has already been disbursed to your account, you must contact this office to determine how this will affect your billing with the University and complete a Loan Adjustment Form.

Deadline Dates for Adjusting or Declining Loans:

Students and parents may request that the University make an adjustment and/or cancellation of a loan after it is disbursed to their account, but must do so within specific time periods. As mentioned, the University processing center will send a notice to students after a loan disbursement has been made notifying them that they have 14 days in which to cancel their loan. However, the Integrated Student Financial Services Office will work with students after that time to make adjustments (including cancellations) to their loan status. However, these requests for exceptional consideration must be made within 30 calendar days of the loan's first disbursement to the student's account. This applies to all loans in the Federal Direct Student Loan Program/PLUS Loan Program.

After that time, if a student or parent, who received a refund from loan proceeds, decides that the refund is not needed, he/she may choose to make an advanced payment on the loan(s). The loan will not be reduced but rather the student and/or parent will be making an advanced payment on the principle. This can be done by sending a check to the federal loan processor at the following address: U.S. Department of Education, Direct Loan Payment Center, P.O. Box 530260, Atlanta, GA 30353-0260, Tel #:1-800-848-0979.

To do any of the above, the “Loan Adjustment” form on the back cover of this booklet is required and may be submitted in person, by fax or by mail to the Integrated Student Financial Services Office within the stated deadlines. We encourage students to visit this office with the completed form to discuss declining all or part of the loan(s) before clearing bills.

Disbursement dates are set each year for the loan programs and for your convenience we have provided a list of estimated loan disbursement dates. Please be aware that these dates are scheduled to change without notice.