



Student Financial Assistance & Scholarship Office
28000 Marguerite Parkway
Mission Viejo, CA 92692
www.saddleback.edu
(949) 582-4860

STAFFORD LOAN APPLICATION PROCESS

WHAT YOU WILL NEED BEFORE A STAFFORD LOAN CAN BE CERTIFIED

- You must complete the Free Application for Federal Student Aid (FAFSA)
- You must be enrolled in and/or complete at least 6 units; maintain a minimum 2.0 cumulative and semester GPA.
- You must not be in default, have a previous default, or owe an overpayment to any other financial aid program.
- You must be enrolled in a degree or certificate program.
- You must complete a Loan Entrance Exam online at www.edfund.org if you are a new borrower at Saddleback College. You must print a copy of the Proof of Completion and sign the bottom of the form.
- You must complete a Stafford Loan Request Form.
You must turn in all required forms requested from the Student Financial Assistance & Scholarship Office

THE PROCESS OF YOUR FEDERAL STAFFORD LOAN(S):

- Once your loan is approved, the Student Financial Assistance Office will mail you an Award Letter, which will indicate the loan amount that was certified for your specific eligibility.
- The Student Financial Assistance Office electronically certifies Stafford Loans for students who are eligible.
- EdFund, the California Guarantee Agency, will send you notification directing you to **www.edfund.net** to complete a Master Promissory Note (MPN) and sign your MPN electronically with your Department of Education PIN; the earlier you complete this MPN the sooner you will receive your loan funds.

Your loan will be disbursed in two separate disbursements. Before the second check is released, you will be required to complete an Exit Interview. When required, you will go to www.edfund.org and select Stafford loan Exit Interview.

First-time Stafford loan borrowers will have their loans disbursed 30 days after their classes begin.

REMEMBER:

- Before you can be awarded a Federal Stafford Loan you must complete, and return the loan request form.
- You must take the Entrance-Counseling test if you are a new borrower to Saddleback College.
- A loan is not a grant!
- A loan must be repaid

CHOOSING A LENDER

Choosing a lender is an important decision, one that will affect you for the life of your loan. If you have no prior Federal Stafford Loans, you may borrow from one of the lenders listed below. These lenders have provided excellent service, competitive borrower benefits, and reliability to Saddleback College students. We provide this list to assist you in your selection, but you may choose any participating lender you wish.

However, if you have previously borrowed Federal Stafford Loan(s) from a lender other than those listed below, we recommend that you continue with that lender each time you borrow again. This way, you can avoid having to make more than one payment each month after your loan(s) become due.

ALL Student Loan www.allstudentloan.org 888-271-9721	Wells Fargo Bank www.wellsfargo.com/student 800-658-3567
Sallie Mae/ Edtrust www.Salliemae.com Phone: 800-2SALLIE	Discover Student Loans www.discoverstudentloans.com service@discoverstudentloans.com Phone: 1-877-728-3030 Fax: 1-877-239-8214

ANNUAL LOAN LIMITS

Under the Federal Stafford (Subsidized and Unsubsidized) Loan Program the maximum amounts students may borrow are as follows:

DEPENDENT STUDENTS	Base Subsidized/Unsubsidized	Additional Unsubsidized
First Year	\$3,500.	\$2,000.
Second Year	\$4,500.	\$2,000.

As of May 8, 2008, changes in the law increased loan limits for all students under Federal Family Educational Loan Program, HR 5715.

INDEPENDENT STUDENTS	Base Subsidized/Unsubsidized	Additional Unsubsidized
First Year	\$3,500.	\$6,000.
Second Year	\$4,500.	\$6,000.

Please note that your Federal Stafford Loan will be certified for the amount you are eligible for at the time of processing.

INTEREST RATE

- Effective July 1, 2008, interest rate for undergraduate new borrowers will be fixed at 6.0%. While you are in school at least half time (6 credit units), the federal government pays the interest for Federal Subsidized Stafford loans on your behalf.
- You become responsible for the interest once you are in repayment.
- Interest on the Federal Unsubsidized Stafford Loan begins to accrue as soon as the funds are disbursed by the lender.

PROCESSING FEES

- Federal Stafford loan are subject to a 1% origination fee, which is paid to the federal government and a 1% federal default fee to offset administrative costs and to guarantee loans.
- These fees will be deducted from your loan proceeds prior to each disbursement.

LOAN DISBURSEMENT

- The Student Financial Assistance & Scholarship Office will notify STUDENTS BY EMAIL OR REGULAR MAIL WHEN THE LOAN CHECK is available for disbursement. You must allow processing time up to at least ten working days.
- Your loan amount will be disbursed in two disbursements per loan period.
- No checks will be disbursed until after the 2-week add/drop period for fall semester and the 3-week census date for spring semester.

ENTRANCE & EXIT INTERVIEW

Saddleback College requires all new Federal Loan borrowers to complete an Entrance Interview prior to loan certification. The purpose of the Entrance Exam is to help you understand your rights and responsibilities as a borrower, so that you can properly manage your future indebtedness

- The Exit Interview Exam must be completed by all borrowers, online at www.edfund.org, before you can receive your last disbursement. A copy must be submitted to the Student Financial Assistance & Scholarship Office prior to disbursement.

REPAYMENT TERMS

Repayment of Federal Subsidized Stafford Loan begins six months after you graduate, leave school, or drop below half-time attendance. The federal government pays the interest on your behalf while you are in school, during the 6 months grace period prior to entering repayment, and periods of deferment. The minimum monthly payment is \$50.

Repayment of the interest on Federal Unsubsidized Stafford Loans begins immediately. You, as the borrower, are responsible for paying all the interest that accrues on your unsubsidized loan during the time you are enrolled in school, during your six month grace period, and during any period of deferment of repayment. You can choose to either pay the interest during those periods or defer payment of the interest. If you choose to defer payment of the interest, your lender will add any unpaid interest to your principal balance, a process called “capitalization”. When interest is capitalized, your principal balance will increase by the amount of any unpaid interest. Repayment of the principal and interest begins six months after you graduate, leave school, or drop below half-time attendance. The minimum monthly payment is \$50.