



Augusta State University
 Financial Aid Office, Payne Hall, 2nd Floor
 2500 Walton Way, Augusta, GA 30904
 Phone: 706-737-1431 Fax: 706-737-1777
 E-mail: finaid@aug.edu
 Web site: www.aug.edu/financial_aid/

Augusta State University (ASU) utilizes an Electronic Loan Management (ELM) System to “certify” your loan information and to send your request to your lender. We want you to know and understand the procedures that will finalize your Stafford Loan. The process includes several steps. We have outlined the steps below and attached the ASU Loan Request Form. Please review the following carefully and contact our office if you have any questions.

STEP ONE: File your FAFSA Your FAFSA must be submitted and processed and your financial aid file must be complete and awarded prior to submitting your loan application.

STEP TWO: Select a Lender ASU recommends the lenders listed below. Although you are not required to select a lender from those noted here, we are confident that you will receive a high level of dependable service from these choices. The web sites and customer service telephone numbers are listed below for your convenience. **You have the right to choose any lender.**

| LENDER NAME | WEB ADDRESS | TELEPHONE |
|----------------------------------|--|--------------|
| Citibank | www.studentloan.com | 800-967-2400 |
| Edamerica | www.edamerica.com | 800-337-1009 |
| Sallie Mae (formerly Nellie Mae) | www.nelliemae.com | 877-332-7028 |

STEP THREE: Complete/Submit Stafford Loan Request Form First time borrowers must complete this form and submit it to the ASU Financial Aid Office for processing. The Loan Request Form collects the information necessary for ASU to electronically transmit student loan data to the selected lender. Additionally, the form authorizes the lender to send the Stafford Loan funds to ASU using Electronic Funds Transfer (EFT) and for ASU to credit the account in the Business Office when the funds are received. The student borrower must sign and submit the Stafford Loan Request Form before funds can be requested from the lender and/or credited to the account. Please detach and submit the completed and signed form to the Financial Aid Office (FAO). Loan Requests cannot be processed if the “Student Loan Entrance Interview” form (on the reverse of the Loan Request) has not been completed. **PLEASE PRINT.**

STEP FOUR: Certification by Augusta State University After entering the data received from the Stafford Loan Request Form, the FAO will create a loan record for you and electronically transmit the record to your lender. Before your loan information can be sent to your lender, your financial aid file must be complete; your FAFSA information must be received from the Federal Processor; all other documents must be received; if necessary, the process termed “verification” must be complete; and you must be eligible to receive financial aid (i.e. making satisfactory academic progress and not be in default on a previous federal loan, etc.).

STEP FIVE: Master Promissory Note (MPN) Procedures After we electronically transmit the loan record to the lender, a Master Promissory Note (MPN) will be generated and mailed to you. This process is a one-time occurrence for first-time ASU borrowers. (The MPN is not required for renewal ASU applicants utilizing the same lender.) You must verify the information, complete any blank items, sign using dark ink and date the promissory note. Keep the borrower’s copy for your records and carefully follow the instructions for submitting the completed note to the appropriate address. Some lenders may request you to sign your MPN online using a PIN. **IMPORTANT: Loan funds cannot be sent to the school if the completed MPN is not returned to the guarantor. Note: Although the MPN process is typically a one-time occurrence, you must complete a new Stafford Loan request form each time you wish to receive a Stafford Loan.**

STEP SIX: Disbursement of Funds After receiving the completed MPN, the lender/disbursing agent will send funds to ASU via EFT (Electronic Fund Transfer). If the loan proceeds exceed your applicable charges, a refund will be issued via EFT to your Higher One account, checking account or by paper check. Refunds cannot be released until after the registration and the schedule adjustment period is completed each semester (these dates will vary).

The following terms will help you understand the loan program.

Types of Stafford Loans (Federal Family Educational Loan Program—FFELP):

Subsidized Stafford Loan: A loan that the federal government pays interest on during in-school status, grace periods and authorized deferment periods. To qualify for a subsidized Stafford Loan, you must demonstrate financial need.

Unsubsidized Stafford Loan: A loan that you are responsible for paying the interest on during in-school status, grace periods and authorized deferment periods. You have the option of postponing interest payments while in school. However, the interest continues to accrue and any unpaid interest will be capitalized (added to the principal balance) as you enter repayment.

This chart is intended only for comparison purpose since the examples may not represent actual credit terms. The Loan Balance Upon Entering Repayment should be the sum of all FFELP student loans including any unpaid interest accumulated during in-school, grace, deferment and forbearance periods. A minimum monthly payment of \$50 is required. Borrowers paying the minimum \$50 payment may amortize their loans in full in less than 10 years. The interest rate for all Stafford Loans disbursed is fixed at 6.8% as of July 1, 2006.

| STAFFORD LOAN REPAYMENT CHART / FIXED RATE OF 6.8% | | |
|--|-----------------|-----------------------------|
| Loan Balance Upon Entering Repayment | Monthly Payment | Total Interest In Repayment |
| \$1,000 | \$50 | \$64 |
| \$2,625 | \$50 | \$500 |
| \$3,500 | \$50 | \$971 |
| \$5,500 | \$63 | \$2,096 |
| \$7,500 | \$86 | \$2,857 |
| \$10,000 | \$115 | \$3,810 |
| \$15,000 | \$173 | \$5,715 |
| \$20,000 | \$230 | \$7,619 |

Loan Limits - Taking out a student loan is a serious responsibility - borrow conservatively! Loans must be repaid!

The Subsidized Stafford Loan annual borrowing limits are \$3,500 for freshmen, \$4,500 for sophomores, and \$5,500 for juniors, seniors and Post-Bac candidates. Graduate students may borrow up to \$8,500 per academic year. The academic year begins

with fall and ends with the spring semester. For example, a freshman may borrow a maximum of \$3,500 for the two semesters of fall (\$1,750) and, spring (\$1,750). You must apply for summer loans separately.

Independent students may borrow additional unsubsidized amounts up to \$4,000 for freshmen and sophomores, \$5,000 for juniors, seniors and additional undergraduate degree applicants and \$7,000 for post-bac applicants seeking teacher certification or taking preparatory coursework for a graduate program per academic year. Graduate students may borrow up to \$12,000 in unsubsidized loan funds.

Please consider the aggregate limits for Stafford Loans. They are \$23,000 for dependent undergraduates, \$46,000 for independent undergraduates, additional degree undergraduates and post bacs. and for graduates, \$138,500.

Note: If you are an undergraduate completing your degree in December, your loan will be prorated based on the number of hours you are registered for during the fall semester.

Fees - Depending on the lender chosen, up to 3% origination and default fee could be deducted from your loan disbursement.

Low Interest Rates - Stafford Loan borrowers (regardless of any prior outstanding loans) who receive disbursement on or after July 1, 2006 will have a fixed interest rate of 6.8%.

Default is failure to pay your loan back according to the terms disclosed on your promissory note. You are in default on your Stafford Loan if your payments are more than 270 days past due or if you fail to comply with all other terms of the loan. When this happens, any or all of the following may occur: the default will be reported to national credit bureaus, recorded on your permanent credit record, and can significantly and adversely affect your credit history; you may be subjected to legal action by the holder of the loan; your wages may be garnished; you will be unable to get additional federal or state financial aid — including student loans.



Stafford Loan Request Form

Financial Aid Office
2500 Walton Way, Augusta, GA 30904
Phone: 706-737-1431 Fax: 706-737-1777

You must return this completed form to the Financial Aid Office in order to have a loan processed. Incomplete applications will be returned to the student.

Name: _____ Student ID: _____

Street Address: _____ DL#/State: _____ / _____
(No P.O. Boxes)

City: _____ State: _____ Zip: _____ Telephone: _____

E-Mail: _____ Expected Graduation Date: ___/___/___ Program of Study: _____

Select a lender. Students with previous outstanding student loans are encouraged to select the same lender for all future student loans. If you are a first-time borrower, we recommend that you consider one of the lenders listed below. See the previous page for contact information. You have the right to choose any lender.

Citibank (826878) Edamerica (831453) Sallie Mae (formerly Nellie Mae) (829076)
 Previous/Other Lender Name _____ Previous Lender Code _____

If you have borrowed previously at ASU, we will process your loan with the same lender unless you provide separate written notification to change lenders.

(Initial to indicate that you have read this statement.) **I understand that I must be enrolled at least half time (6 hours) at the time of the loan disbursement in order to be eligible for Federal Stafford Loan funds.**

Designate a loan period. Loans are processed for a maximum period of three semesters per academic year. **If you plan to attend in the summer, be sure to check the appropriate loan period below. If you borrow the maximum for fall and spring you may not be eligible for a loan during the summer.** The academic year begins with fall semester and ends with spring semester. **Please check only one loan period below.**

Fall/Spring Semesters Fall Semester only Spring Semester only
 Spring/Summer Semesters Summer Semester only

Indicate the loan type and requested amount. Please refer to the "Types of Stafford Loans" section on the previous page for details. **Remember to borrow conservatively - a student loan is a serious responsibility and must be repaid!!!**

Loan Amount \$ _____ (A dollar amount is required; do not leave blank.)

Check here if you only want a Subsidized Loan. **(If you select this option and are not eligible for a subsidized loan, your application will not be processed).**

Note: If you are eligible for a subsidized loan, it will always be processed before an unsubsidized loan.

Capitalizing Interest (This is applicable only if you are requesting an Unsubsidized Stafford loan.)

I choose to begin repayment of interest while in school. I choose to capitalize interest (let interest accrue).

Borrower Authorization; My signature certifies that I have read and understand the "Student Loan Entrance Interview" section on the reverse side and I authorize Augusta State University to process my Federal Stafford Loan request. I understand that my Federal Stafford Loan constitutes a debt that will enter repayment upon the expiration of my grace period, which is six months after I graduate, completely withdraw or otherwise drop below half-time enrollment.

By signing, I authorize Augusta State University to receive the proceeds of my Federal Stafford Loan via the Electronic Funds Transfer process, and based upon my continued eligibility, to apply these funds toward institutional charges for the specified term(s).

I understand that I may rescind this authorization at any time by providing written notification to the Financial Aid Office within 10 working days prior to the expected disbursement date as provided in the "Notice of Guarantee and Disclosure Statement" provided by my lender/guarantor.

I understand that Augusta State University may draw, but will not necessarily retain, any interest that may accrue on any funds held by the Institution.

Borrower's Signature _____ **Date** _____

School use only: COA _____ - EFC _____ - Aid _____ = Sub _____ / Unsub _____

Grade _____ Aid Year _____ Date Processed _____ I/D _____ Hours _____ VA _____

Student Loan Entrance Interview — Please read and check each box below to indicate that you have read and understand each item.

I understand that:

1. The Stafford Loan Master Promissory Note (MPN) is a legally binding agreement the borrower signs to obtain a loan under the Federal Family Education Loan Program (FFELP), in which the borrower promises to repay the loan, with interest, in periodic installments. The MPN may be used to receive loans for either a single period of enrollment or multiple periods of enrollment. If used as a multi-year note, loans may be obtained through the 10 year period from the date the note is signed.
2. A Stafford Loan is a debt that must be repaid according to the terms of the promissory note, with all accrued interest and applicable fees.
3. I must repay my entire loan with all accrued interest and fees, even if I do not complete my education, am not satisfied with my education, cannot find employment, or do not receive the education or other services I purchased from your school.
4. Repayment of my loan(s) will begin as follows, when I graduate, withdraw or become enrolled less than half-time:
- . Subsidized Federal Stafford Loan - following a 6-month grace period.
 - . Unsubsidized Federal Stafford Loan - following a 6-month grace period. Remember that interest accrues on an unsubsidized loan from the date of disbursement. Interest payments can be postponed while you are in-school and during grace, but any unpaid interest will be capitalized (added to the principal balance) when your loan enters repayment.
5. The standard repayment term is 10 years. There are other repayment options available, which may allow me to reduce my monthly payment and/or extend my repayment term. They include: Graduated, Income Sensitive, Extended Repayment and Consolidation. Loan consolidation allows me to combine my student loans, from multiple federal programs and lenders, into one loan. I must contact my lender to obtain information on any of these repayment options. I should then carefully consider which may be best for me, keeping in mind that the total interest paid will be greater when the repayment term is extended.
6. The required minimum monthly payment is \$50.00. The monthly payment could be more depending on the total amount borrowed. I may prepay all or part of my loan at any time without penalty.
7. The interest rate of my loan is specified on my disclosure statement. If my loan has a variable rate, it is subject to change each July 1st and can vary depending on the status of my loan (i.e. the repayment interest rate is higher than the in-school and grace rate).
8. Before repayment begins, I will receive a disclosure statement detailing the interest rate, fees, balance owed and number of payments.
9. I will be notified in writing if my loan is transferred to a new holder. I must direct all future correspondence to that new holder.
10. If I am temporarily unable to make payments, I may qualify for a postponement of my monthly payments. This is known as a deferment. Deferment time is excluded from the repayment term of the loan. I may be eligible for a deferment if I am still attending school, if I am unemployed, or I am experiencing financial difficulties. I must contact my lender to apply for a deferment.
11. If I do not qualify for a deferment, but am unable to make payments on my loan, I may be eligible for forbearance. Although my monthly payments will be postponed, I should be aware that interest will continue to accrue during a forbearance.
12. There are certain situations which may result in the balance on my student loan(s) being discharged. Those situations include: total and permanent disability, death, closed school, or false certification. There are also two loan forgiveness programs for borrowers meeting specific criteria as defined by the U.S. Department of Education - one for teachers and one for child care providers.
13. If I fail to repay my student loan(s), I will be considered in default and the following may occur:
- . My default will be reported to all national credit bureaus, which will negatively affect my credit record; possibly preventing me from obtaining additional credit (for a car, home, other educational loans, etc.).
 - . The entire unpaid amount, including interest, will immediately become due and payable.
 - . My federal and state income tax refunds may be withheld, as well as any other payments made to me by the Federal Government, or my wages may be garnished.
 - . My loan may be referred to a collection agency, and I could become responsible for all collection costs.
 - . I may be sued by the holder of my loans for all amounts owed, including attorney fees.
14. I must notify my lender(s) in writing within 10 days if I:
- . Change my name
 - . Change my telephone number
 - . Transfer to another school
 - . Withdraw from school
 - . Change my address
 - . Change my graduation date
 - . Enroll for less than half-time
15. Information about my federal student loan(s) is available from the National Student Loan Data System (NSLDS). I may call 1-800-4FED-AID or go to www.nsls.ed.gov.
16. The Department of Education's SFA Ombudsman's Office works with student loan borrowers to help resolve loan disputes and problems. If I am unable to resolve my dispute with my school, lender, servicer, or guaranty agency, I may contact the SFA Ombudsman at 1-877 557-2575 or visit the web site at www.ombudsman.ed.gov.
17. My school is required to forward the information obtained from my Exit Counseling session to the agency that guaranteed my loans, within 60 days of receipt.

Should you have any questions concerning this information, please contact the Augusta State University Financial Aid Office at 706-737-1431.