

Federal Direct Loans

What kinds of Federal Direct Loans are available?

A Direct Loan is a federal loan, made through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Subsidized Loan, Direct Unsubsidized Loan, Direct PLUS Loans, and Direct Consolidation Loans are types of Direct Loans.

Federal Loan Program

- **Direct Subsidized Loan** – for undergraduate students who have financial need. Students are not charged interest on the loan during certain periods. The U.S. Department of Education (ED) is the lender; payment is owed to ED.
- **Direct Unsubsidized Loan** – for undergraduate, graduate and professional degree students; financial need is not required. Students are responsible for interest during all periods. ED is the lender; payment is owed to ED.
- **Direct PLUS Loan** – for parent of dependent undergraduate students who are borrowing money to pay for their child’s education, and for graduate or professional degree students; financial need is not required. Borrower must not have negative credit history. ED is the lender; payment is owed to ED.

Annual Direct Loans Limits

- **Freshman dependent student with 0 to 30 credit hours** – the maximum is \$3,500 for a subsidized loan and \$2,000 for an unsubsidized loan for a total of \$5,500.
- **Freshman independent student with 0 to 30 credit hours** – the maximum is \$3,500 for a subsidized loan and \$6,000 for an unsubsidized loan for a total of \$9,500.
- **Sophomore dependent student with 31 or more credit hours** – the maximum is \$4,500 for a subsidized loan and \$2,000 for an unsubsidized loan for a total of \$6,500.
- **Sophomore independent student with 31 or more credit hours** – the maximum is \$4,500 for a subsidized loan and \$6,000 for an unsubsidized loan for a total of \$10,500.

Direct Loan Online Instructions

Direct Loan Eligibility Requirements:

To be eligible for direct loans, you must complete:

- The Free Application for Federal Student Aid (FAFSA) at studentaid.gov/fafsa.
- Entrance Counseling and a Direct Loan Master Promissory Note (MPN), if required.

In addition, you must be:

- Enrolled in a degree or eligible certificate program.
- Meeting the Satisfactory Academic Progress.
- Enrolled in a minimum of 6 credit hours.

Accepting Your Direct Loan(s)

1. Log in to myLakeland.

2. Click the Student tab.
3. In the left-hand column under myRECORDS, click on Financial Aid.
4. Click on My Award Information.
5. Click on Award for Aid Year.
6. Select the current aid year and click Submit.
7. Click on Accept Award Offer tab.
8. You will see the Direct Loan as part of your total financial aid offer. Follow the instructions and choose one of the three options:
 - Accept the loans for the amount offered.
 - Accept the loans for a reduced amount that you specify.
 - Decline the loans.

The Master Promissory Note

All federal loan borrowers must complete a Direct Loan Master Promissory Note (MPN). MPNs are good for up to 10 years, so you are not required to complete this step every academic year. You will need the name, address and phone number of two references to complete the MPN online.

To complete a Master Promissory Note, follow these steps:

1. Go to studentaid.gov.
2. From the COMPLETE AID PROCESS drop down menu, select Complete a Master Promissory Note.
3. Click the blue LOG IN and enter your FSA ID Username, Email or Mobile Phone and your Password. Click Log In, then click Accept.
4. Click Start next to MPN for Subsidized/Unsubsidized Loans.
5. Complete the following sections:
 - a. Information (Borrower and School)
 - b. References
 - c. Review & Edit
 - d. Sign & Submit

Entrance Counseling

Students who are borrowing a Federal Direct Loan for the first time are required to complete online Entrance Counseling. During this counseling, students will receive in-depth information regarding their rights and responsibilities as a loan borrower.

To complete Entrance Counseling, follow these steps:

1. Go to studentaid.gov.
2. From the COMPLETE AID PROCESS drop down menu, select Complete Entrance Counseling.
3. Click the blue LOG IN and enter your FSA ID Username, Email or Mobile Phone and your Password. Click Log In, then click Accept.
4. Click Start under Complete Entrance Counseling.
5. Under Select School to Notify, Choose a State (OHIO), and under Search school by name, select LAKELAND COMMUNITY COLLEGE. Then, click Notify this School.
6. Under Select Student Type, click I am completing entrance counseling to receive Direct Loans as an undergraduate student, then click Continue.
7. Complete the counseling session by reading all of the information and answering all of the questions in each of the five sections.

Loan Disbursements

Federal Direct Loan disbursements are applied to your Lakeland student account no earlier than 10 days prior to the start of your enrollment period, provided you have completed all loan steps and meet the eligibility requirements. This applies to all students EXCEPT for One-Term Loan Borrowers and First-Year, First-Time Borrowers (30-Day Delay).

One-Term Loan Borrowers

Students borrowing Direct Loan funds for only one semester will have their loans disbursed in two equal disbursements. The first half of your disbursement will be applied to your Lakeland student account no earlier than 10 days before the start of your enrollment period. The second disbursement will be applied no earlier than the midpoint of the semester.

First-Year, First-Time Borrowers (30-Day Delay)

If you are a first-year, first-time borrower, your initial loan disbursement will not be applied to your Lakeland student account until 30 days after the first day of your enrollment period. This ONLY affects your initial loan disbursement. If the 30-day delay applies to you, Lakeland does offer assistance for books and supplies. You will be notified through your Lakeland email with the information on how to take advantage of this assistance.

Exit Counseling

Exit Counseling will explain your rights and responsibilities when repaying your federal student loans. The session will also provide tips on making your financing a priority to ensure successful repayment of your loans. Exit Counseling is required if you withdraw, graduate, transfer to another college or drop below half-time attendance anytime during your enrollment period.

To complete Exit Counseling, follow these steps:

1. Go to studentaid.gov.
2. From the MANAGE LOANS drop down menu, select Complete Exit Counseling.
3. Click the blue LOG IN and enter your FSA ID Username, Email or Mobile Phone and your Password. Click Log In, then click Accept.
4. Click Start under Complete Exit Counseling.
5. Under Select School to Notify, Choose a State (OHIO), and under Search school by name, select LAKELAND COMMUNITY COLLEGE. Click Notify this School. Then, click Continue.
6. Complete the counseling session by reading all of the information and answering all of the questions in each of the five sections.

Questions?

Lakeland's Financial Aid Office
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