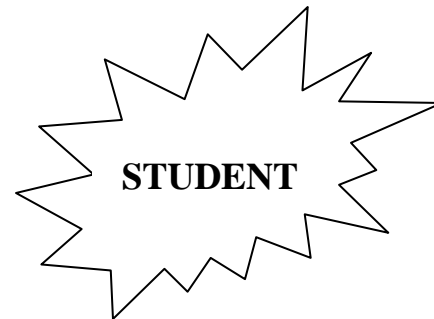




Office of Financial Aid
 601 South Church Street
 Winston-Salem, North Carolina 27101
 336/721-2808 Fax: 336/917-5584



2019-2020 FEDERAL DIRECT LOAN RESPONSE FORM

A college education is one of the most important investments you can make. This information is designed to help you understand and complete the paperwork necessary to secure funding through the Federal Direct Subsidized and/or Unsubsidized Loan program. To apply for a Direct Loan, **all new** borrowers should visit www.salem.edu/financialaid to complete all required forms. (Click *Loans*, then click *Direct Loans*). From there, you will need to **complete both Entrance Counseling and a Master Promissory Note (MPN)**. Both are required before your loan can be processed.

If you borrowed through direct loans during 2018-19, you do not need to complete a new MPN or entrance counseling. If this form is not returned to the Financial Aid Office, the full amount of your loan will be processed upon receipt of a valid Master Promissory Note and Entrance Counseling.

LOAN INFORMATION

Year	Dependent Undergraduate Student (except students whose parents are unable to obtain PLUS Loans)	Independent Undergraduate Student (and dependent students whose parents are unable to obtain PLUS Loans)
First Year	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.
Second Year	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.
Third and Beyond (each year)	\$7,500—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500—No more than \$5,500 of this amount may be in subsidized loans.
Maximum Total Debt from Direct Loans When You Graduate (aggregate loan limits)	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500—No more than \$23,000 of this amount may be in subsidized loans.

- Beginning July 1, 2013, new student borrowers are limited in the amount of Federal Direct Subsidized Loans they can receive. Subsidized loans are permanently limited to 150% of the length of a student’s academic program.
- Graduate students are only eligible for unsubsidized loans **not to exceed the cost of attendance**.
- For loans first disbursed on or after July 1, 2019, the interest rate for direct loans for undergraduate students is fixed at 4.53%. Graduate student loans are fixed at 6.08%. This rate is subject to change for 2020-2021 for loans first disbursed on or after July 1, 2020.
- A Federal Direct Loan enters repayment six months after graduation or when enrollment status drops below half-time (less than two undergraduate classes or three graduate credit hours).

FEES

- For loans first disbursed before October 1, 2019, a 1.062% origination fee will be deducted from your loan proceeds before it is disbursed to Salem College. This rate will change for loans first disbursed on or after October 1, 2019.

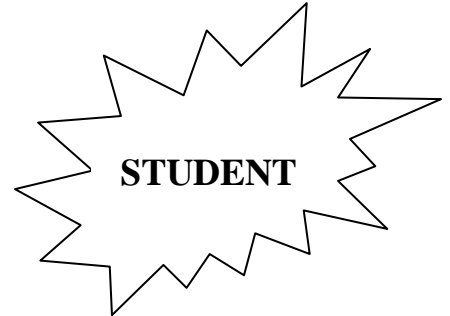
LOAN DISBURSEMENT

- Loan proceeds are disbursed in multiple payments during the course of the academic year for which you are borrowing, as required by federal regulations.
- First-time borrowers must complete both Entrance Counseling and a MPN prior to receiving their first disbursement. This can be completed online at www.salem.edu/financialaid (Click *Loans*, then click *Direct Loans*).

Please turn over and complete the form on the back to accept, decline, or reduce your loans.

2019-2020 FEDERAL DIRECT LOAN RESPONSE FORM

Student Name _____ Student ID # _____
 Last First MI
 Phone Number () _____ E-Mail _____



Please check the appropriate box for each loan listed below:

<i>Loan Type</i>	I wish to ACCEPT the full loan amount as offered on my most recent award letter.		I wish to DECLINE the loan as offered on my most recent award letter.		I wish to REDUCE the loan as offered on my most recent award letter. Please indicate amount you wish to borrow for the academic year .
	<i>Fall</i>	<i>Spring</i>	<i>Fall</i>	<i>Spring</i>	
Subsidized Loan					
Unsubsidized					

This form MUST be returned to the Financial Aid Office before your student loan can be processed.

I authorize Salem College to process my Federal Direct Loan request. I understand that my Direct Loan constitutes a debt that will enter repayment upon the expiration of my grace period, six month after I graduate, withdraw, or otherwise drop below half-time enrollment. I have read and understand the information on this form, and I realize that this is a loan that must be repaid.

Student Signature _____
Date

Please return this page to the Salem College Financial Aid Office.

Please turn this form over for more information regarding student loans.