



150% Rule for Subsidized Loans

On July 6, 2012, the [Moving Ahead for Progress in the 21st Century Act \(MAP-21\) \(Public Law 112-141\)](#) (PDF) was enacted and limits a first time borrower's eligibility for Direct Subsidized Loans to a period not to exceed 150% of the length of the borrower's educational program. In the summer of 2013 final regulations were completed.

First time borrowers on or after July 1, 2013 are subject to the provisions in this legislation. Generally speaking a first time borrower is one who did not have an outstanding balance of principal or interest on a Direct Loan or FFEL loan on July 1, 2013.

If you are a first time borrower, this legislation will affect you.

A student that can not graduate by the time they have attempted 150 percent of the published credits for their program, as listed in the program requirement catalog, will immediately become ineligible for financial aid for that program.

Example:

A student in the Art Education Program must successfully complete 70 credits (listed in the Northeast Student Catalog) to graduate from the Art Education Program.

Published Credits: 70

150 percent of Published Credits: 70 times 150 percent = 105 Credits

At the end of the student's fourth term in the Art Education Program, the student has attempted 75 credits that count toward the 150 percent rule and has successfully passed 30 of those credits.

The student has 40 credits left to successfully complete the required 70 credits before he/she can graduate from the Art Education Program.

If you add the 75 credits already taken and the 40 credits remaining ($75 + 40 = 115$) to graduate from the Art Education Program, the student would have to take a total of 115 credits to graduate. The student is immediately no longer eligible for financial aid for the remainder of the Art Education Program, because 115 total credits are greater than 150 percent of the published credits (105) to graduate from the Art Education Program.

Stated in your entrance counseling information, the subsidized loan has slightly better terms than the unsubsidized loan. In the past the US Department of Education has paid the interest for a subsidized loan while the student was in school attending class at least half time. If you are a first time borrower or borrowed in the past and paid back your previous loans, and you are now borrowing again, you will be included in this legislation.

How will this affect my Subsidized loan(s)?

MAP-21 will limit the time period during which you can receive Direct Subsidized loans to 150% of the standard length of the program in which you are enrolled. For example, a Bachelor degree program (which is normally completed in 4 years attending full time) borrowers can only receive Subsidized loans for a maximum of 6 years. (150% of 4 years = 6 years). The period used will be reduced for less than full time study. Once you have received Direct Subsidized Loans for your maximum eligibility period, you may continue to receive Direct Unsubsidized loans and your subsidized loans may begin to accruing interest. This legislation was enacted to encourage students to obtain their degree within a reasonable timeframe.

I have Subsidized loans that I took out before this legislation went into effect, how will MAP-21 effect those loans?

MAP-21 legislation affects first time borrowers from July 1, 2013 forward. If you have Subsidized loans prior to July 1, 2013 you are not considered a first time borrower and MAP-21 legislation will not affect you.

Please [click here](#) for more information regarding this law or the 150% rule.

Information is subject to change without notice due to changes in federal, state and/or institutional rules and regulations. Students must complete a FAFSA every year. Students must be making satisfactory academic progress to continue to receive financial aid.

2014-2015
William D. Ford Federal Direct Loan Program
STUDENT LOAN PACKET



Financial Aid Office, Ramsey Hall
Cunningham Boulevard
Booneville, MS 38829

Phone: (662) 720-7205
Fax: (662) 720-7232

STEP I-FAFSA

Federal regulations require that a student must complete the Free Application for Federal Student Aid (FAFSA) in order to apply for Federal Stafford Loans. You may complete the FAFSA at www.fafsa.ed.gov with your Federal PIN. If you do not have your PIN, you may request it at www.pin.ed.gov.

STEP II-ENTRANCE COUNSELING

Federal regulations require that a school must conduct entrance counseling with each student who is obtaining his or her first Federal Stafford Loan for attendance at Northeast MS Community College. **Entrance counseling must be completed before your student loan will be processed.** This helps you to understand your responsibilities regarding your loan.

Click the following link to complete the counseling online: StudentLoans.gov
*(You must print and provide a copy of the **Entrance Counseling confirmation page** to the Financial Aid office)*

STEP III-MASTER PROMISSORY NOTE (MPN)

Federal regulations also require that a first-time borrower complete a Master Promissory Note (MPN). **An MPN must be completed before your student loan will be processed.**

you can complete the MPN online at: StudentLoans.gov
The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department. It also explains the terms and conditions of your loan(s)

To complete an MPN online, you will be required to use your Department of Education-issued PIN. If you do not have a PIN, you may request one from the official [PIN site](http://www.pin.ed.gov). (www.pin.ed.gov)
(You must print and provide a copy of the 1st page (signature page) of the MPN to the Financial Aid office.
To print the MPN: view the HTML version but do NOT print from this screen, click continue, click on **View PDF**, and print the MPN.) **Please note: If you had a Federal Direct Loan with the Department of Education previously, you may skip this step and the Entrance Counseling step.**

Please remember that you must also **complete the loan exit interview upon leaving Northeast** for any reason. If you have any questions, contact the Financial Aid Office at (662) 720-7301.

Until the requested documents (Entrance Counseling Confirmation Page, Master Promissory Note (MPN) Confirmation Page, and Step IV of this form) have been received and your financial aid file completed, we cannot process your loan application nor will you be eligible for a student loan.

How much can I borrow?

There are limits on the maximum amount you are eligible to receive each academic year (annual loan limit) and in total (aggregate loan limits). These limits are shown in the chart in the next section. The actual amount you can borrow each year depends on your year in school, whether you are a [dependent or independent student](#), and other factors, and may be less than the maximum amounts shown in the loan limit chart. Your school will determine what types of loans and how much you may borrow.

Depending on your financial need, you may be eligible to receive a subsidized loan for an amount up to the annual subsidized loan borrowing limit for your level of study. If you have education expenses that have not been met by subsidized loans and other aid, you may also receive an unsubsidized loan so long as you don't exceed the combined subsidized and unsubsidized annual loan limits.

Annual and Aggregate Loan Limits

The following chart provides maximum annual and aggregate (total) loan limits for subsidized and unsubsidized Direct Stafford Loans.

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)	Graduate and Professional Degree Student
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.	\$20,500—No more than \$8,500 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 Stafford 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.	\$138,500—No more than \$65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study.

Note: These annual loan limit amounts are the maximum yearly amounts you can borrow in both subsidized and unsubsidized loans. You can have one type of loan or a combination of both. Because you can't borrow more than your cost of attendance minus any other financial aid you'll get, you may receive less than the annual maximum amounts. Also, the annual loan limits assume that your program of study is at least a full academic year.

The maximum annual and total loan limits include any Stafford Loans you may have received under the FFEL Program.

What are the current interest rates?

Fixed Rate Loans				
Loan Type	Date of First Disbursement	Fixed Interest Rate	Date of First Disbursement	Fixed Interest Rate
Direct Subsidized Loans (Undergraduate Students)	7/1/13–6/30/14	3.86%	7/1/14–6/30/15	5.09%
Direct Unsubsidized Loans (Undergraduate Students)	7/1/13–6/30/14	3.86%	7/1/14–6/30/15	5.09%
Direct Unsubsidized Loans (Graduate and Professional Students)	7/1/13–6/30/14	5.41%	7/1/14–6/30/15	6.64%
Direct PLUS Loans Parents and Professional Graduate Students	7/1/13–6/30/14	6.41%	7/1/14–6/30/15	7.64%

What are the fees?

Direct Stafford loans require origination fees that are deducted from each disbursement. The net disbursement is the gross loan amount, less origination fees.

- 1.072% for all loans first disbursed on or after December 1, 2013 and before September 30, 2014.

STEP IV—ALL QUESTIONS MUST BE ANSWERED. DO NOT LEAVE ANY BLANKS.

Name: _____ Student Gen ID: _____

Anticipated Graduation or Transfer Date from Northeast: _____

What session(s) do you plan to attend Northeast? _____ Fall 2014/Spring 2015
_____ Fall 2014 only
_____ Spring 2015 only

Provide **requested loan amount** for the session(s) indicated above: \$ _____

Please note: Per federal regulations, all loans must come in two equal disbursements

Example: Loan requested for Fall 2014/Spring 2015 = \$1000

Fall 2014 disbursement = \$500 Spring 2015 disbursement = \$500

My total outstanding loan balance is \$ _____.

I understand the lifetime maximum is \$57,500 _____ please initial.

Please complete the following section by checking the appropriate answer. If you answer yes to any question, please provide the amount that you expect to receive. Please indicate if you have applied for a fund, but have not yet received notification of the award.

Scholarship(s) _____ () YES \$ _____ () NO () APPLIED
[i.e. academic, band, athletic, etc.]

Veteran's Benefits _____ () YES \$ _____ () NO () APPLIED
Montgomery G.I. Bill - Active Duty (Chapter 30)
Vocational Rehabilitation Benefits (Chapter 31)
Veterans' Educational Assistance Program (VEAP) - (Chapter 32)
Dependents Educational Assistance (Chapter 35)
Selected Reserve (Chapter 1606)
Reserve Educational Assistance Program (REAP - Chapter 1607)

WIA Benefits _____ () YES \$ _____ () NO () APPLIED
Workforce Investment Act

TAA Benefits _____ () YES \$ _____ () NO () APPLIED
Trade Adjustment Act

Other Aid _____ () YES \$ _____ () NO () APPLIED

STUDENT CERTIFICATION

I understand that I have applied for a student loan which **MUST BE REPAYED**. I understand that the amount that I have requested is subject to change based on annual loan limits, aggregate loan limits, cost of attendance, and additional financial aid awards. **I certify that I have read and understand the additional information section on the back of this form.**

Signature of Student (Borrower)

Date

Student Name: _____ GEN ID: _____

ADDITIONAL INFORMATION:

- YOU WILL RECEIVE A NOTICE OF LOAN GUARANTEE AND DISCLOSURE STATEMENT ONCE YOUR MASTER PROMISSORY NOTE IS RECEIVED LETTING YOU KNOW THE DATES, THE FUNDS WILL THEN BE DISBURSED TO NORTHEAST.
- HOWEVER, PLEASE NOTE THAT THIS IS NOT THE DATE YOU WILL RECEIVE YOUR LOAN MONEY. PLEASE ALLOW TIME FOR THE FINANCIAL AID OFFICE AND THE BUSINESS OFFICE AT NORTHEAST TO PROCESS THESE FUNDS. YOU MAY CHECK WITH THE FINANCIAL AID OFFICE TO SEE WHEN LOAN FUNDS WILL BE AVAILABLE. ALL LOAN FUNDS WILL NOT BE DISBURSED UNTIL SCHOOL HAS BEEN IN SESSION FOR 30 DAYS.
- ACCORDING TO FEDERAL REGULATIONS, A STUDENT MUST BE ENROLLED AT LEAST HALF-TIME TO BE ELIGIBLE FOR A STUDENT LOAN.
- FEDERAL LAW REQUIRES STUDENT LOAN FUNDS TO BE USED FOR EDUCATIONAL PURPOSES, WHICH INCLUDE TUITION, BOOKS, SUPPLIES, ROOM, BOARD, AND TRANSPORTATION. STUDENT LOANS SHOULD NOT BE USED TO PURCHASE AUTOMOBILES, PAY ON EXISTING LOANS, PAY FOR VACATIONS, OR FOR OTHER NON-EDUCATIONAL PURPOSES.
- ACCORDING TO FEDERAL REGULATIONS, ALL LOAN FUNDS MUST BE RECEIVED IN TWO EQUAL DISBURSEMENTS.
- PLEASE NOTE THAT ANY BALANCE OWED TO NORTHEAST WILL BE DEDUCTED FROM YOUR STUDENT LOAN AT THE TIME OF DISBURSEMENT. FOR EXAMPLE, IF YOUR LOAN PROCEEDS ARRIVE BEFORE YOUR PELL GRANT OR OTHER AID IS DISBURSED, YOUR FEES WILL BE DEDUCTED FROM YOUR LOAN.

FOR OFFICE USE ONLY:

2014-2015

YEAR/TERM				Entrance Counseling			
Dep/Ind				MPN			
Ant. Grad. Date				EFA			
NSLDS				REQ AMT			
SAP				CERTIFIED AMT			
CLASSIFICATION				Fall hrs. Passed (Spring use Only)			
HOURS ENROLLED							
BUDGET (residence/housing)							