

**Before you borrow, know your options as well as your rights and responsibilities as a borrower.** Explore all of your options to fund your education before taking on debt. Scholarship information is available at [www.clcillinois.edu/scholarships](http://www.clcillinois.edu/scholarships).

Information about Student Employment opportunities is available at [www.clcillinois.edu/studentjobs](http://www.clcillinois.edu/studentjobs).

For questions about your Federal Student Loans, contact the Financial Aid Office at 847-543-2062 or [finaid@clcillinois.edu](mailto:finaid@clcillinois.edu).

**Keep track of how much you're borrowing.**

To keep track of all your U.S. Department of Education (ED) loans, access <https://studentaid.gov/>. You'll need to use your FSA ID to access your information.

**General Eligibility Requirements for Federal Student Loans**

- Complete the 2022-2023 Free Application for Federal Student Aid (FAFSA) at <https://studentaid.gov/>.
- Be enrolled at least half-time (6.0 hours) in financial aid-eligible credit courses and in a financial aid-eligible program of study.
- Meet CLC's standards for Satisfactory Academic Progress (SAP) ([www.clcillinois.edu/fasap](http://www.clcillinois.edu/fasap)).
- Complete the online undergraduate Entrance Counseling <https://studentaid.gov/>.
- Read, complete and e-sign your Master Promissory Note (MPN) at <https://studentaid.gov/>. An MPN is a legal document in which you promise to repay your federal student loan(s) and any accrued interest and fees to your lender or loan holder. There is one MPN for Direct Subsidized/Unsubsidized Loans and a different MPN for Direct PLUS Loans. The MPN contains a *Borrower's Rights and Responsibilities Statement* that explains the terms and conditions of the loan(s) you receive. It is very important to read and save this document because you'll need to refer to it later when you begin repaying your federal student loan(s).
- All borrowers must complete an Annual Student Loan Acknowledgement each year you accept a new federal student loan. The annual Student Loan Acknowledgement is to be completed online at <https://studentaid.gov/asla/> and can take up to 10 minutes to complete.

**Federal Direct Loans**

CLC participates in the William D. Ford Federal Direct Loan Program. Eligible students and parents borrow directly from the U.S. Department of Education (ED). Direct Loans include Subsidized and Unsubsidized Direct Loans and Direct PLUS Loans. For loans first disbursed on or after July 1, 2022, the interest rate is 4.99% for Subsidized and Unsubsidized Loans for undergraduates, and for Direct PLUS Loans first disbursed on or after July 1, 2022, a fixed interest rate of 7.54%.

Direct Subsidized and Unsubsidized Loans that first disburse on or after October 1, 2020 and before October 1, 2023 have a loan origination fee of 1.057%.

Direct PLUS Loans that first disburse on or after October 1, 2020 and before October 1, 2023 have a loan origination fee of 4.228%.

**Subsidized Loans**

Federal Subsidized Direct Loans are based on financial need. The interest payments are made by the federal government, on the student's behalf, when enrolled at least half time, for the first six months after you leave school (referred to as a grace period), and during periods of deferment (when loan payments are postponed).

**Unsubsidized Loans**

Federal Unsubsidized loans are not based on financial need. Your loan amount is limited by your cost of attendance and other financial aid you may receive. The borrower is responsible for the interest payments from the date the loan is disbursed. You have the option to begin interest payments while you are in school. If you choose not to pay the interest while you are in school and during grace, deferment and/or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).

**PLUS Loans**

Federal PLUS loans are available to parents of dependent students. PLUS Loans generally help families who are paying out-of-district tuition. To be considered for a PLUS Loan, the student and parent must meet all general eligibility requirements listed above. The parent should complete CLC's 2022-2023 PLUS Loan Request form.

**Loan Request Process**

Before a student can request a loan, their financial aid file must be complete. If selected for [Verification](#), this must be complete before a student can request a loan. The Financial Aid Office cannot award a student federal or state financial aid until the Verification process has been completed. If selected, after Verification is complete, students will be notified on their student portal when their loan request has been processed and can view their loan award in myStudentCenter online, accessed through the student web portal at <https://myclc.clcillinois.edu/>.

**Loan Disbursements**

Each academic year loan is divided into two disbursements, typically one-half for the fall semester and one-half for the spring semester. One-term loans may be divided into two disbursements during the semester. You will be notified by letter when loan funds have been disbursed to your CLC student account. Loans are not disbursed until after the published [Financial Aid Census Date](#) and after student attendance is confirmed.

A loan refund is made available after tuition, fees and other authorized charges are paid in full. Refund checks are mailed to the student’s address on file with the Office of Admissions and Records. You should make sure your demographic information is accurate in our system. For faster refunds, sign up for [Direct Deposit](#).

**Is there a time limit on how long I can receive loans?**

If on or after July 1, 2013, you are a first-time borrower OR you have a \$0 total loan balance and take out a new loan, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. This time limit does not apply to Direct Unsubsidized Loans or Direct PLUS Loans. If this limit applies to you, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program. This is called your “maximum eligibility period.” Your maximum eligibility period is generally based on the published length of your current program. For example, if you are enrolled in a two-year associate’s degree program, the maximum period for which you can receive Direct Subsidized Loans is three years (150 percent of 2 years = 3 years).

Because your maximum eligibility period is based on the length of your current program of study, your maximum eligibility period can change if you change to a program that has a different length. Also, if you receive Direct Subsidized Loans for one program and then change to another program, the Direct Subsidized Loans you received for the earlier program will generally count toward your new maximum eligibility period.

Certain types of enrollment may cause you to become responsible for the interest that accrues on your Direct Subsidized Loans when the U.S. Department of Education usually would have paid it. These enrollment patterns are described below.

<b>Do I become responsible for paying the interest that accrues on my Direct Subsidized Loans because....</b>	<b>Yes</b>	<b>No</b>
I am no longer eligible for Direct Subsidized Loans and I stay enrolled in my current program?	X	
I am no longer eligible for Direct Subsidized Loans, did not graduate from my prior program, and am enrolled in an undergraduate program that is the same length or shorter than my prior program?	X	
I transferred into the shorter program and lost eligibility for Direct Subsidized Loans because I have received Direct Subsidized Loans for a period that equals or exceeds my new, lower maximum eligibility period, which is based on the length of the new program?	X	
I was no longer eligible for Direct Subsidized Loans, did not graduate from my prior program, and am enrolled in an undergraduate program that is longer than my prior program?		X
I lose eligibility for Direct Subsidized Loans and immediately withdraw from my program?		X
I graduated from my prior program prior to or upon meeting the 150 percent limit, and enroll in an undergraduate program that is the same length or shorter than my prior program?		X
I enroll in a graduate or professional program?		X
I enroll in preparatory coursework that I am required to complete to enroll in a graduate or professional program?		X

I enroll in a teacher certification program (where my school does not award an academic credential)?	X
--	---

**Loan Repayment**

Please remember that you are applying for a student loan—not a grant or a scholarship. This loan must be repaid including the interest charges. If you fail to repay your loan as scheduled by your loan servicers, serious consequences will result. To check your loan servicer information or other financial aid history, visit <https://studentaid.gov/>. You will need your FSA ID to access the system.

Failure to make payments on your loans as agreed according to your Master Promissory Note (MPN) can result in default. Because defaulted loans are reported to all national credit bureaus, you may experience any or all of the following:

- The entire unpaid balance of your loan and any interest is immediately due and payable.
- You lose eligibility for deferment, forbearance, and repayment plans.
- You lose eligibility for additional federal student aid.
- Your loan account is assigned to a collection agency.
- The loan will be reported as delinquent to credit bureaus, damaging your credit rating. This will affect your ability to buy a car or house, or to get a credit card.
- Your federal and state taxes may be withheld through a tax offset. This means that the Internal Revenue Service can take your federal and state tax refund to collect any of your defaulted student loan debt.
- Your student loan debt will increase because of the late fees, additional interest, court costs, collection fees, attorney’s fees, and any other costs associated with the collection process.
- Your employer (at the request of the federal government) can withhold money from your pay and send the money to the government. This process is called wage garnishment.
- The loan holder can take legal action against you, and you may not be able to purchase or sell assets such as real estate.
- It will take years to reestablish your credit and recover from student loan default.

***In addition to experiencing all or some of the above, you will still have to repay your loan.***

Use this chart to estimate how much your monthly payment will be to repay what you have already borrowed:

Total Amount Borrowed	Estimated Monthly Payment*	Total Amount Repaid
\$3,500	\$50	\$4,471
\$4,500	\$52	\$6,214
\$5,500	\$63	\$7,596
\$6,500	\$75	\$8,976
\$8,000	\$92	\$11,048
\$10,000	\$115	\$13,810
\$12,000	\$138	\$16,575
\$15,000	\$173	\$20,714
\$20,000	\$230	\$27,619
\$23,000	\$265	\$31,762
\$30,000	\$345	\$41,429

\*Monthly payments are based on the Standard Ten-Year Repayment Plan at an interest rate of 6.8%. Your payments may differ.

**NSLDS Information**

Information regarding Federal Student Loans will be reported to the National Student Loan Data System (NSLDS), the U.S. Department of Education’s (ED’s) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other ED programs. This information will also be accessible to authorized users of the NSLDS, such as guaranty agencies, eligible lenders, and eligible institutions of higher education. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data. For more information visit: <https://studentaid.gov/>.