Tunxis Community College

The Stafford Student Loan Process at Tunxis Community College

Tunxis participates in the Federal Direct Stafford Student Loan program. For more information about these loans, please go to www.studentaid.ed.gov, click on "Funding" then, under "Federal Student Aid", click on "Stafford Loans." Or, you can request a copy of *Funding Education Beyond High School* from the Financial Aid office.

If you're a first-time borrower, you will be required to complete Entrance Counseling and a Master Promissory Note before you commit yourself to a student loan.

This is a summary of loan processing at Tunxis:

1. The student requests a loan by completing the Application for a Federal Stafford Student Loan, provided by Tunxis Community College.

2. Tunxis Financial Aid reviews the application, including all additionally required documentation (FAFSA and others as determined by the Financial Aid office).

3. Tunxis determines the student's loan eligibility considering financial circumstances, academic standing and previous loan history. If you have earned college credits prior to Tunxis, you will be required to complete a Transfer Credit Evaluation (TCE).

4. For eligible students, Tunxis creates an electronic loan application and sends it to the federal Direct Lending (DL) system. (**First-time borrowers must complete mandatory loan counseling on the DL website before their loan application can be processed)**.

5. **The student signs a Master Promissory Note (MPN) prior to the first day of the summer semester**. (The MPN is the contract that sets the terms of the loan; by signing this contract, the student agrees to repay the loans he/she receives.) MPN's are signed electronically on the DL website.

6. Once the DL system receives the signed MPN, it electronically transfers the student's loan funds, in two installments, to Tunxis.

7. Tunxis confirms that the student is still enrolled at least ½ time (6 credits), and applies the funds to the student's account. The student is then sent a letter alerting them that their funds have arrived.

8. The Tunxis Business office determines whether any deferred charges (tuition, fees, books, etc) have to be deducted from the loan advance. Once these deferred charges are satisfied, any remaining loan funds are automatically paid by check and mailed to the student.

9. For summer loans, students MUST enroll for all summer sessions at the same time or the loan application will not be processed.

Questions? Email tx-finaid@txcc.commnet.edu or call (860) 773-1425.

03/15

Maximum Annual Loan Limits Chart

Subsidized and Unsubsidized Stafford Loans for the two-year community college student
as of July 1, 2010

Year of Study	Dependent Student	Independent Student
First year (less than 30 credits completed)	$5,500 – no more than $3,500 of this amount may be subsidized.	$9,500 – no more than $3,500 of this amount may be subsidized
Second year (30 credits or more completed)	$6,500 – no more than $4,500 of this amount may be subsidized	$10,500 – no more than $4,500 of this amount may be subsidized

The loan limits depend on the number of credits completed as of the start of the semester you are applying for and whether you are a dependent or independent student.

Subsidized Stafford Loans:

- Are available to students who demonstrate need, but cannot exceed that need
- The US Dept of Education pays the interest on the loan:
    1. While you are enrolled at least half-time
    2. For the first six months after you leave school (referred to as a grace period)
    3. During any period of deferment (a postponement of loan payments)

Unsubsidized Stafford Loans:

- Do not require students to demonstrate financial need
- Interest accrues from the date the loan is issued; the student pays the interest
    1. You can pay the interest quarterly, or during a period of deferment or forbearance
    2. Or, you can allow the interest to accrue (accumulate) and have the interest added to the principal amount of your loan: This will increase your monthly repayment amount.

Depending on your financial need, you may receive a combination of both subsidized and unsubsidized loans for the same enrollment period, but the total amount of these loans may not exceed the annual limit.

Please note: If you attended and earned credits at other colleges prior to Tunxis, you will be required to complete a Transfer Credit Evaluation (TCE). Repeated courses may not be eligible for federal financial aid – contact our office at tx-finaid@txcc.commnet.edu for more information.

Tunxis Community College
Financial Aid Office

APPLICATION FOR A FEDERAL STAFFORD STUDENT LOAN: SUMMER 2015

Instructions: To apply for a loan, complete and return this form to the Financial Aid Office.

Last name:_____ First name:_____

Address _____ City _____ Zip Code _____

SS #_____ Tunxis ID @_____ DOB _____

Amount requested: $_____ Telephone _(_____)_____

All applicants are automatically considered for the Subsidized Stafford loan. ("Subsidized" means that the government pays the loan interest while you are in school and in grace or deferment periods.) Some applicants need to use the Unsubsidized Stafford option (where the borrower is responsible for interest during school, grace and deferment periods) for some or all of their loan.

Please initial here if you will accept an unsubsidized loan:_____.

Please attach a completed *Summer Loan Application Plan Form*

You must stay enrolled for **at least 6 credits** to be eligible for a loan.

IMPORTANT INFORMATION: PLEASE READ!

After you complete this application, we will determine your loan eligibility. We will look at your academic standing, your enrollment status, any current student loan debt, and other financial aid available to you. Tunxis can decide not to approve this application, or to approve a lesser amount than you request. **If you attended other colleges, you will be required to complete a Transfer Credit Evaluation (TCE).**

PLEASE NOTE: Repeated courses may not be eligible for federal financial aid – contact our office at tx-finaid@txcc.commnet.edu for more information.

Loan Processing: If we approve your loan request, we will create an electronic loan application and send it to the DL system. If you have not already done so, **you will need to sign a master promissory note prior to the first day of the summer semester**. The promissory note is the contract that obligates you to repay loan funds; please read it carefully. After you sign and return the note, loan funds will be deposited to your Tunxis account; we will notify you when this happens. The loan funds will be applied against any outstanding charges for the term; funds not needed to pay amounts you owe Tunxis will be automatically paid to you by mailing you a check.

****First-Time Borrowers: before we process your loan, you will have to complete "entrance counseling" as well as signing your MPN. This counseling, which is mandatory, must be done before the loan will be posted to the student's account. It is intended to make sure that you understand your obligations and rights as a Stafford loan borrower. ****

SIGNATURE:_____ DATE:_____

OFFICE USE ONLY: FAFSA ___ Acc'd Credits ____ Ent Coun_____ Prev Bor_____MPN_____ TCE _____

Tunxis Community College Office of Financial Aid
Fax: 860-773-1422; email tx-finaid@txcc.commnet.edu

Loan Applicant's Summer (14/15) Enrollment Plan

Student Name _____ ID _____

Student loan eligibility is determined in part by which session(s) you attend. Please complete this proposed summer schedule, read the conditions, and sign below:

CRN	Course Title	Repeated Course?

IMPORTANT!! PLEASE READ!! These conditions apply to your summer loan:

- You must register for all summer classes at the same time.
- ***If your enrollment falls below six credits before you receive loan funds, your loan has to be cancelled.*** You will then be billed for any deferred charges. (See the note below about repeated courses.)
- Any balance not covered by your loan must be paid in full at the time of registration.
- If your grades after Spring 2015 indicate that you are not in good academic standing, your summer loan will be cancelled, and you will be responsible for any outstanding expenses.
- Fees are non-refundable; if you register for a class and drop prior to the first day of the summer semester, you will be responsible for paying the fees for the dropped class.

By registering for a summer class, you agree to the conditions above.

PLEASE NOTE: In some cases, repeated classes cannot be included in your enrollment status for grant and loan eligibility. If you have questions, contact our office at tx-finaid@txcc.commnet.edu

Student Signature and Date _____