

Everything You Need to Know About a Student and/or Parent Loan

This guide is designed to assist you in understanding some of the terms and conditions of the Federal Stafford and Federal PLUS Loan Programs.

Federal Stafford Loan (subsidized and unsubsidized)

Georgia Perimeter College (GPC) utilizes an electronic data exchange process to transmit most Federal Stafford Loan requests to lenders. If you choose to borrow through the Federal Stafford Loan Program (either Subsidized and/or Unsubsidized), please complete the enclosed *Federal Stafford Loan Request Form* and submit it to the Office of Financial Aid at Georgia Perimeter College. After we electronically transmit your loan request, a preprinted Master Promissory Note (MPN) will be mailed to your home address for you to complete, sign and return to the Georgia Student Finance Commission (GSFC). Entrance Loan Counseling must be completed prior to the disbursement of loan funds. To fulfill this requirement, you may either complete the Student Loan Entrance Interview Form on the back of the *Stafford Loan Request Form* or complete it online at www.mapping-your-future.org.

The FFELP is the largest single source of federal aid for students pursuing a higher education. This program has two main sources of funding: Federal Stafford loans for students and Federal PLUS loans for parents.

There are two types of Federal Stafford loans:

Subsidized: A need-based loan on which interest is paid by the federal government during certain periods. If students receive a subsidized Stafford loan to attend Georgia Perimeter College, the federal government pays the interest on their loan while they attend school at least half time or when they qualify for an authorized deferment and during the grace period before you begin repayment.

Unsubsidized: Students who receive an Unsubsidized Stafford loan to attend Georgia Perimeter College are responsible for paying the interest while they are in school. If students want to pay this interest while they attend school, they should complete item #12 on the MPN. If students choose not to make the interest payments while in school, the interest will be added or capitalized onto the principal balance at repayment. You must speak with a GPC counselor to be advised on the additional unsubsidized loan.

Hour Requirements: An undergraduate or graduate student must be enrolled in 6 semester hours or more each semester to be eligible to receive a student loan.

Annual Dependent Loan Limits*	
Freshman	\$2,625
Sophomore	\$3,500

Annual Independent Loan Limits*	Maximum Subsidized Amount	Maximum Unsubsidized Amount	Maximum Total Amount
Freshman	\$2,625	\$4,000	\$6,625
Sophomore	\$3,500	\$4,000	\$7,500

*Annual loan limits are also subject to the annual cost of attendance established by the GPC Office of Financial Aid for your specific program of study. Please note that some loan programs are subject to a 1% default fee and an origination fee up to 2% of the loan principal. Both will be deducted from your loan proceeds prior to disbursement.

Federal Parent Loan for Undergraduate Students (PLUS)

Qualifications: The Federal PLUS is available to parents to help them pay for their dependent children's education. Parents with no adverse credit history may borrow for each dependent child who is enrolled in school at least half time and is making satisfactory academic progress. PLUS loans are not based on financial need, and parents of all income levels may apply.

Borrowing Limits: Parents may borrow an amount equal to the cost of attendance minus any other aid.

Disbursement: PLUS loan proceeds are sent directly to the College and are generally disbursed in equal amounts at the beginning of each school term. The funds are sent electronically via Electronic Funds Transfer (EFT) to the College. The PLUS Loan funds will be applied to your dependent student's account. If there is money remaining, a refund will be sent to the student. If you do not want your dependent student to receive the refund, please feel free to contact the Student Accounts Office at (678) 891-2730.

Repayment: Repayment begins within 60 days of the final disbursement with a minimum monthly payment of \$50 and a maximum repayment term of 10 years.

To apply for the PLUS, parents must complete the enclosed *Federal PLUS Loan Request Form* and submit it to the Office of Financial Aid at Georgia Perimeter College. After your loan request is electronically transmitted, a preprinted PLUS Master Promissory Note will be mailed to your home address for you to complete, sign and return to the Georgia Student Finance Commission.

Choose a Lender Carefully

Federal guidelines regulate the primary features of the student loan programs, such as interest rates and repayment terms. However, there are differences in the services that lenders provide, including a variety of repayment options. It is recommended that you borrow all of your loans from one lender to simplify the repayment process. Lenders use various servicers and secondary markets; therefore, if you change lenders, your loans may end up at several sites resulting in multiple payments and correspondence to different sources. Please make sure not to borrow more than is absolutely necessary. Take the time now to make the right decision.

Provided below are the names of our preferred lenders from whom our students and their families have received excellent service. It is not necessary to have a prior relationship with a lender to borrow a Federal Stafford or a Federal PLUS Loan. We feel you will be best served by choosing one of these preferred lenders.

Lender	Lender Code	Federal Stafford & PLUS Loan Borrower Benefits*
Edamerica 800.337.1009 www.edamerica.net	831453	Stafford - Zero origination fees means more money in your loan check up front. - 4% rebate of original principal balance after initial 33 on-time, automated payments. PLUS - Immediate 1% interest rate reduction for all borrowers. - Additional 0.25% interest rate reduction with auto debit. - Postpone payments or make interest-only payments for up to 48 months while the student is enrolled at least half time.
Citibank 800.967.2400 www.studentloan.com	826878	Stafford - Zero origination fees. - 0.25% interest rate reduction with auto debit. - 1% interest rate reduction after the first 36 consecutive monthly payments are made on time with an additional 1% interest rate reduction after the first 48 monthly payments are made on time. PLUS - 0.50% interest rate reduction with auto debit. - 0.50% interest rate reduction at repayment. - In-school forbearance option lets you defer principal and interest payments for up to 48 months while your child is in school.
College Loan Corporation 888.972.0852 www.collegeloan.com	833733	Stafford - 7% credit of the principal balance outstanding after 48 consecutive, scheduled payments are made on time. - 0.25% interest rate reduction with auto debit. PLUS - 3% credit of the principal balance outstanding after 48 consecutive, scheduled payments are made on time. - 0.25% interest rate reduction with auto debit.
Sallie Mae Education Trust 800.891.1413 www.salliemaedtrust.com	802218	Stafford - Zero origination fee. - 2% account credit after the first 24 consecutive, on-time payments. - 1% account credit after the first 48 consecutive, on-time payments. PLUS - 1% loan credit after the first 12 scheduled payments are made on time.
SunTrust 800.552.3006 www.suntrustededucation.com	824135	Stafford - Zero origination fee. - 3.33% reduction of the original principal balance after making the first 30 consecutive, monthly payments on time. - 0.25% interest rate reduction with auto debit. PLUS - 0.25% interest rate reduction with auto debit. - 1% principal rebate 210 days after last disbursement. - 2% interest rate reduction after 48 consecutive, on-time payments.
Wachovia Education Finance 800.338.2243 www.wachovia.com	830005	Stafford - Zero origination fee. Stafford & PLUS - 1% rebate of the original principal balance at repayment. - Additional 1% rebate of the original principal balance after first 12 scheduled payments are made on time with auto debit. - Extra 1.5% rebate of the original principal balance after first 24 scheduled payments are made on time with auto debit.

*Benefits listed are subject to change. Contact lender directly for details pertaining to current incentives.

Federal Stafford Loan Request Form

Section A: Applicant Information (to be completed by the student). Please print neatly or type.

1. Student Name (Last) _____ (First) _____ (Middle) _____		2. Social Security # _____
3. Permanent Address (Street) _____ (City) _____ (State, Zip) _____		4. Permanent Telephone # _____ () - _____
5. Expected Date of Graduation _____	6. Date of Birth _____	Loans are processed for a maximum period of two semesters. The academic year begins with the Fall Semester and ends with the Summer Semester. Please check one loan period in #7.
7. Requested Loan Period <input type="checkbox"/> Spring/Summer Semesters <input type="checkbox"/> Summer Semester Only* <input type="checkbox"/> Fall/Spring Semesters <input type="checkbox"/> Fall Semester Only* <input type="checkbox"/> Spring Semester Only*		8. Student's E-mail Address _____

*One-term loans are disbursed in two payments.

Section B: Loan Information

1. I am applying for (please check appropriate box): <input type="checkbox"/> Subsidized Loan <input type="checkbox"/> Unsubsidized Loan <input type="checkbox"/> Both <i>If you are eligible for a Subsidized Loan, it will always be processed before an Unsubsidized Loan.</i>		
2. Capitalizing Interest: This is only if you are requesting an Unsubsidized Federal Stafford Loan. Refer to loan terms for explanation. <input type="checkbox"/> I choose to capitalize all interest. <input type="checkbox"/> I choose to begin repayment of interest. (Please refer to the chart on page 7).		
3. Driver's License State and Number State _____ Number _____	4. Requested Loan Amount for Entire Year (see annual loan limit chart) \$ _____	
5. Lender Name (please see lender list below)		6. Lender Code _____

7. Borrower Certification

I authorize Georgia Perimeter College to process my Federal Stafford Loan Request. I understand that my Federal Stafford Loan constitutes a debt that will enter repayment upon the expiration of my grace period, six months after I graduate, withdraw, or otherwise drop below half-time enrollment. I have received payment information and realize that this is a loan that must be repaid. I have read the front and back of this page and understand the information. **I understand that I must be enrolled for a minimum of six (6) credit hours at the time of disbursement in order to receive loan funds.**

Borrower's Signature _____ Date _____

Select a Lender:

Students with previous and/or outstanding student loans are encouraged to select the same lender for all subsequent loans. If you are a first-time borrower, we recommend that you consider one of the *preferred lenders* listed in the chart on page 2 of this booklet. You will receive a Master Promissory Note (MPN) from GSFC. Complete this MPN and return to GSFC. **There is a 30-day delay waiting period for first-time borrowers before funds are disbursed.** If you do not indicate your choice below, we will select a lender for you.

<input type="checkbox"/> Edamerica Lender Code: 831453	<input type="checkbox"/> Citibank Lender Code: 826878	<input type="checkbox"/> College Loan Corp. Lender Code: 833733	<input type="checkbox"/> Sallie Mae Education Trust Lender Code: 802218
<input type="checkbox"/> SunTrust Lender Code: 824135	<input type="checkbox"/> Wachovia Education Finance Lender Code: 830005	<input type="checkbox"/> Other: _____ Lender Code: _____	

www.gpc.edu • School Code: 001562

Georgia Perimeter College
 District Office of Financial Aid
 555 N. Indian Creek
 Clarkston, GA 30021

Federal PLUS Loan Request Form

Section A: Student Information (to be completed by the student). Please print neatly or type.

1. Student Name (Last) _____ (First) _____ (Middle) _____	2. Social Security # _____
3. Permanent Address (Street) _____ (City) _____ (State, Zip) _____	4. Permanent Telephone # _____ () - _____
5. U.S. Citizenship Status: <input type="checkbox"/> Citizen <input type="checkbox"/> Eligible Non-Citizen. Alien Registration # _____	6. Date of Birth _____ 7. Student's E-mail Address _____

Section B: Parent Borrower Information. Complete only for Parent Loan Applications (PLUS).

1. Parent Name (Last) _____ (First) _____ (Middle Initial) _____	2. Parent Social Security # _____
3. Permanent Address (Street) _____ (City) _____ (State, Zip) _____	4. Home Telephone # _____ () - _____
5. Employer Name and Address _____	6. Work Telephone Number _____ () - _____
7. Parent Driver's License State & Number State _____ Number _____	8. Relationship to Student _____
9. Parent's Date of Birth _____	10. PLUS Amount Requested for Entire Year \$ _____
11. Lender Name & Code (see list below)	12. Requested Loan Period <input type="checkbox"/> Fall/Spring Semesters <input type="checkbox"/> Spring/Summer Semesters <input type="checkbox"/> Fall Semester Only* <input type="checkbox"/> Spring Semester Only* <input type="checkbox"/> Summer Semester Only*
13. U.S. Citizenship Status: <input type="checkbox"/> Citizen <input type="checkbox"/> Eligible Non-Citizen. Alien Registration # _____	
14. Parent Borrower Certification I authorize my lender/guarantor to obtain a current copy of my credit report and authorize the release of my credit report and authorize release of my credit evaluation results. I further authorize the Financial Aid Office at Georgia Perimeter College (GPC) to receive notification of my tentative approval/denial. <i>The PLUS is electronically transmitted and will be applied to your dependent student's account. If there is money remaining, a refund will be sent to your dependent student. If you do not want your dependent student to receive the refund, please contact the Student Accounts Office at (678) 891-2730.</i> Borrower's Signature _____ Date _____	

*One-term loans are disbursed in two payments.

Select a Lender:

Parents with previous and/or outstanding student/parent loans are encouraged to select the same lender for all subsequent loans. If you are borrowing for the first time, we recommend that you consider one of the *preferred lenders* listed. You will receive a PLUS Master Promissory Note (PMPN) from the Georgia Student Finance Commission (GSFC). Complete this PMPN and return to GSFC.

<input type="checkbox"/> Edamerica Lender Code: 831453	<input type="checkbox"/> Citibank Lender Code: 826878	<input type="checkbox"/> College Loan Corp. Lender Code: 833733	<input type="checkbox"/> Sallie Mae Education Trust Lender Code: 802218
<input type="checkbox"/> SunTrust Lender Code: 824135	<input type="checkbox"/> Wachovia Education Finance Lender Code: 830005	<input type="checkbox"/> Other: _____ Lender Code: _____	

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PLUS Loan Features & Benefits

- Can be used to supplement your child's Federal Stafford Loan funding or cover up to the full cost of attendance (COA) less other financial aid
- Is not dependent on income or assets, but a credit check is required
- Has a low fixed interest rate of 8.5%
- Does not require collateral or cosigner
- Payments may be postponed up to 3 years in cases of economic hardship
- Prepayment can be made at any time without penalty
- The loan will be forgiven in full in the event of permanent disability of the borrower or death of the borrower or student

PLUS Loan Payment Estimator

Use this chart to determine your approximate PLUS loan payment each month once you enter repayment based on different interest rates.

Amount Borrowed	Number of Payments	Monthly Payment at 8.50%	Monthly Payment at 7.50%	Monthly Payment at 7.25%
\$1,000	20	\$53.80	\$53.35	\$53.23
\$2,625	55	\$57.79	\$56.55	\$56.24
\$3,500	65	\$67.38	\$65.69	\$65.27
\$4,000	76	\$68.24	\$66.28	\$65.79
\$5,500	80	\$90.30	\$87.57	\$86.90
\$8,500	120	\$105.39	\$100.90	\$99.79
\$10,000	120	\$123.99	\$118.70	\$117.40
\$15,000	120	\$185.98	\$178.05	\$176.10
\$17,125	120	\$212.33	\$203.28	\$201.05
\$20,000	120	\$247.97	\$237.40	\$234.80
\$46,000	120	\$570.33	\$546.03	\$540.04
\$50,000	120	\$619.93	\$593.51	\$587.01

Note: These are only estimates.

Tips to Wise Borrowing

- Exhaust all other alternatives before borrowing.
- Set a realistic budget and stick to it.
- Carefully read ALL correspondence from your financial aid office and lender and keep in a file.
- Make copies of all financial aid material (i.e., applications, tax returns, etc.) and keep in a file.
- Understand the terms of your loan(s) and ask questions about features and benefits.
- Avoid interest buildup. Pay accrued interest on the unsubsidized loan whenever possible.
- Minimize credit card debt. Shop for the best rate, keep a low credit limit, and pay it off monthly.
- Beware of student and parent solicitations offered in the mail.
- Select your lender carefully.

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Terms to Know and Sample Repayment Chart

Capitalizing Interest: This is a process where a lender adds any unpaid interest on a loan to the principal, thereby increasing the outstanding balance on which interest accrues daily.

Default: Failure to pay your loan according to the terms disclosed in your Master Promissory Note (MPN) may result in default. If the loan goes into default, the federal government can take action to obtain the funds by wage garnishment, litigation, credit bureau notification and/or withholding income tax refunds.

Deferment: An authorized period of time in which loan payments may be postponed. Interest on subsidized Stafford loans is paid by the federal government during deferment periods.

Delinquency: When loan payments are not paid as due according to the terms of the MPN. Late fees are often assessed on delinquent accounts, and serious delinquency results in default.

Disbursement: The delivery or proceeds of the student or parent loan, which are released to the school by the lender. Loan funds are delivered in multiple disbursements.

Entrance & Exit Loan Counseling: Federal regulations require that all first-time borrowers receive an entrance interview. This interview covers your borrower rights and responsibilities. You are not entitled to your loan funds until you have completed this process. Upon leaving Georgia Perimeter College, you are required to have an exit interview to assist you in understanding your loan debt, repayment and deferment options.

Forbearance: An authorized period of time during which the holder of your loan allows you to postpone repayment because of financial difficulty. Interest still accrues on both subsidized and unsubsidized Stafford loans.

Grace Period: The period between the time you leave school or drop below half-time enrollment and the time you are obligated to begin repayment.

Guarantor: An organization that insures Federal Family Education Loans.

Half-time Enrollment: Enrollment in a minimum of 6 credit hours per term.

Interest: A percentage of your outstanding principal loan amount charged for the use of borrowed money. Federal Stafford Loans first disbursed on or after July 1, 2006 will have a fixed interest rate of 6.8%.

Origination Fee: A fee charged by the federal government to offset administrative costs of the Federal Family Education Loan Program (FFELP). Most lenders charge a 2% origination fee, which is deducted from a borrower's loan proceeds prior to disbursement.

Principal: The loan amount you borrow. Interest is charged on this amount.

Promissory Note: A legally binding contract between you and your lender that contains all the conditions and terms under which you agree to repay your loan(s) with interest.

Servicer: An organization that provides borrower services and performs administrative functions associated with education loans.

FEDERAL STAFFORD LOANS (SUBSIDIZED AND UNSUBSIDIZED)			
	8.25% ¹		
Loan Amount	No. of Payments	Monthly Payments ²	Total Interest ²
\$1,000	22	\$50	\$80
\$2,000	47	\$50	\$347
\$2,625	66	\$50	\$643
\$3,000	78	\$50	\$882
\$4,000	117	\$50	\$1,827
\$5,000	120	\$61	\$2,359
\$6,000	120	\$74	\$2,831
\$7,000	120	\$86	\$3,303
\$8,000	120	\$98	\$3,775
\$9,000	120	\$110	\$4,246
\$10,000	120	\$123	\$4,718
\$11,000	120	\$135	\$5,190
\$12,000	120	\$147	\$5,662
\$13,000	120	\$159	\$6,134
\$14,000	120	\$172	\$6,606
\$15,000	120	\$184	\$7,077
\$16,000	120	\$196	\$7,549
\$17,000	120	\$209	\$8,021
\$18,000	120	\$221	\$8,493
\$19,000	120	\$233	\$8,965
\$20,000	120	\$245	\$9,437
\$25,000	120	\$307	\$11,796
\$30,000	120	\$368	\$14,155
\$35,000	120	\$429	\$16,514
\$40,000	120	\$491	\$18,873
\$45,000	120	\$552	\$21,232
\$50,000	120	\$613	\$23,592
\$75,000	120	\$920	\$35,387
\$100,000	120	\$1,227	\$47,183

¹ Interest rates on new Stafford loans are fixed at 6.8% as of July 1, 2006.
² The monthly payments and total interest figures are rounded to the nearest dollar and based on a Standard Repayment Plan at an 8.25% interest rate. Amounts may vary because the interest rate may be less than the rate shown. No borrower benefits are included in these figures.

Thinking of Withdrawing?

Consider this: In order for a student to be making progress toward graduation, he or she must complete 67% of the courses attempted. In addition to students meeting the completion rate requirement, any student whose cumulative grade point average falls below 2.00 will be placed on financial aid probation or may become ineligible to receive financial aid. The Financial Aid Office monitors students' academic progress, and students will be evaluated at the end of each semester UNLESS the student experiences academic problems such as Academic Probation, Academic Exclusion, withdrawal from all courses, and so on. Students who have reached the maximum time frame (60 earned semester hours excluding ESL/Learning Support) are considered to have earned the equivalent of an Associate degree and are ineligible to receive financial aid. All financial aid will be cancelled once it is determined that the student is not meeting the standards of academic progress (SAP) or has reached the maximum time frame. A student may appeal if he or she has mitigating circumstances.

How Do Withdrawals Affect Your Financial Aid?

If a student withdraws from the term, before the withdrawal posted deadlines, the student's account will be recalculated. The student may be required to repay all or a portion of the financial aid received (including Pell, Loans, Hope, SEOG funds). The student will become ineligible to receive funds in future terms until the account balance is repaid in full.

Loan Cancellation Advisory - Loans will be cancelled for students who fall below 6 credit hours prior to receiving the 1st disbursement of funds. The 2nd disbursement will automatically be cancelled. The second disbursement will be cancelled for students who withdraw from the term after receiving their 1st disbursement. The student **MUST** resubmit a new loan application. The processing time will be 4-6 weeks.

How Do Withdrawals Affect Standards Of Academic Progress?

A withdrawal is considered as an attempt. **All** attempts are counted when determining a student's academic progress.

Hardship Withdrawal Hours: Hardship withdrawal hours are still counted in attempted hours. Students who receive a hardship withdrawal and have term hours DROPPED are responsible for any debit balance resulting from dropped hours and financial aid refund received. It is the student's responsibility to be familiar with SAP and monitor his or her own progress each semester to protect financial aid eligibility.

A Drop Is Not The Same As A Withdrawal

A Drop Removes A Course From The Student's Records

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