

JWCC'S LOAN INFORMATION

Don't Miss The Priority Processing Dates!

Fall Semester: July 1

Spring Semester: December 1

Summer Semester: May 1

The Financial Aid Office cannot guarantee that financial aid will be in place by the date tuition and fees are due if you do not submit all requested information and supplemental forms by the priority processing dates.

Many students rely on federal government loans to help finance their education. These loans have low interest rates and do not require credit checks of collateral. Student loans also provide a variety of deferment options and extended repayment terms. Whether you are a new or returning JWCC loan borrower, we strongly recommend that you take the time to read and understand all the loan information provided. Understanding all loan details and planning now will benefit you throughout college and beyond.

LOAN TYPES

Note: *All Stafford & Plus Loans are considered financial aid and must be paid back. A FAFSA is required for processing loans. You have the right to select any lender of your choice regardless of the JWCC suggested lender list. It is possible that some banks will not lend student loans to JWCC- please check with that bank if they are not on our list.*

Subsidized Stafford - The Federal Subsidized Stafford Loan is based on financial need. Eligibility is determined by the Financial Aid Office from the results of the Free Application for Federal Student Aid (FAFSA). The government pays the interest on Subsidized Stafford Loans while the student is in school at least half-time. Once the student drops to less than half-time attendance or leaves school, repayment will begin after a six-month grace period, the time at which interest will begin to accrue.

Unsubsidized Stafford – The Federal Unsubsidized Stafford Loan is not need-based. Eligibility is determined by the Financial Aid Office from the results of the FAFSA. The government does not subsidize this loan. The student is responsible for the interest that accrues during in-school, grace, and deferment periods. You may choose to make interest payments while you are in school or you may defer (and accumulate) the interest until repayment begins after the six-month grace period.

Parent Plus - Parents of dependent students can take out loans to supplement the student's aid packages. The Federal Parent Loan for Undergraduate Students (PLUS) lets parents borrow money to cover any costs not already covered by the student's financial aid package, up to the full cost of attendance. PLUS loans are the responsibility of the parents, not the student. Repayment begins 60 days after the funds are fully disbursed, and the repayment term is up to 10 years. JWCC still requires a FAFSA to be completed before a PLUS loan may be processed. If a parent is denied, the student can then qualify for an additional Unsubsidized Stafford Loan.

Alternative/Private - Be very cautious if you absolutely need to consider an alternative/private loan. You should research your options extremely thoroughly before applying for these loans. Credit history is checked and often students need a co-signer. The interest is normally variable (changes every year) and tends to be on the high end. Applying for alternative/private loans is solely between the student and the lender. JWCC does not have an application process for alternative/private loans.

STUDENT LOAN REPAYMENT RIGHTS & RESPONSIBILITIES

Your student loan is a debt you owe for your education and you should treat it as you would any other kind of debt. For example, a loan used to buy a car or a house. As with any debt, you are responsible for repaying your loan in full even if you did not complete school, get a job, or feel you did not receive the educational or other services you purchased.

To repay your student loan successfully, you will need to manage your finances. If you plan for repayment now, you will reap big benefits in terms of financial freedom and present peace of mind.

- Start by getting organized. If you have not already assembled all of your loan documents in one place, do it now! Review these documents to make sure you understand all of your financial obligations.
- Next, develop a budget. Begin by estimating both your starting salary and your living expenses. When figuring your expenses, do not forget to budget the monthly payment on your student loan.
- The terms that you and your chosen lender establish for repaying your student loan have to meet certain federal guidelines. These guidelines are outlined for you on the master promissory note when you first obtain your loan. Here is a summary of those guidelines:
 - Your payments are expected each month.
 - The minimum monthly payment is \$50, but can be higher depending on the total principal amount & interest.
 - Your lender must give you at least five years to repay your loan, unless your minimum monthly payment pays off your loan before that time, or you request a shorter repayment period.
 - You may prepay your loan at any time without penalty.
 - Your loan obligation will be canceled if you become totally and permanently disabled or you die.
- Stay in touch with your lender. It is your responsibility to let your lender know if any of your personal circumstances change (i.e. change of address, name, etc.) If you are uncertain who your lender is, <http://www.nsls.ed.gov> can provide information about the identity of your primary loan contact.
- Before your first payment is due, your lender will send you a repayment schedule telling you how much you owe, the amount of interest you will pay during your repayment period, what your monthly payments will be, when they will be due, and how long it will take to repay your loan in full.
- You will have a grace period of no payments for six months which starts the day you drop below half-time status.
- Student loans are not dischargeable through bankruptcy.
- If you are unable to make monthly payments, contact your lender immediately to avoid default. Alternative repayment options may be considered, as well as deferment or forbearance depending on your circumstances.
- Once you drop below half-time status or anticipate graduating/transferring from JWCC, you will need to complete Exit Loan Counseling. This will explain what to expect after “exiting” school including repayment options. You may click the link for Loan Counseling to complete the exit counseling or go directly to <http://mappingyourfuture.org/sx>.

CONSEQUENCES OF DEFAULT

- Your credit rating and ability to borrow any loans will be seriously damaged.
- You may lose future eligibility for financial aid and/or student loans.
- You may be sued and court costs and legal fees will be added to what you owe.
- Your Federal Income Tax refund may be withheld.
- Your professional license renewal for certain occupations may be denied.
- Your employer may withhold part of the salary for payment of your loan.
- Your assets may be taken away from you.
- Once a loan is declared in default, you are no longer entitled to any deferments or forbearances.

FREQUENTLY ASKED QUESTIONS

1. Does it matter if you have received student loans in the past?

Yes. If you have student loans from more than one lender or from other federal student loan programs, you are responsible for informing the Financial Aid Office and your lender(s) about your other student loans. In some cases, you may not be eligible for loans for which you have applied.

When calculating eligibility for the current loan, JWCC will take into account all prior loans received from JWCC and all other post-secondary institutions. If transferring to JWCC midway through an academic year, we will look at the amount of loans taken out for the year so far. The Financial Aid Office must have a cancellation notice before we can process additional loans through JWCC. A common example would be if you were attending classes through another institution in fall and transferred to JWCC in the following spring. If you applied for a combined fall and spring loan with the prior school, we must show documentation that the spring loan portion has been cancelled before processing a new spring loan at JWCC.

2. What is the current interest rate?

As of July 1, 2009, Stafford Subsidized Loans are currently fixed at 5.6% and Unsubsidized Loans are fixed at 6.8%. Parent PLUS Loans are fixed at 8.5%. These percentages are subject to change July 1 for new loans.

3. Are there fees associated with borrowing a Stafford Loan?

Although the lender itself charges no fees, two types of loan fees may be deducted from each loan disbursement. The Department of Education charges a 1% origination fee, and the loan guarantor may charge up to a 1% default fee. These fees may be waived: check with your lender.

4. What is the school's Cost of Attendance (COA)?

The COA is the estimated cost for you to attend JWCC. Included in the COA are estimated costs for tuition, books, transportation, personal expenses, and room & board. Your total financial aid award from all sources cannot exceed your COA.

5. What is the Expected Family Contribution (EFC)?

The EFC is determined by the information you submit on the Free Application for Federal Student Aid (FAFSA). The EFC represents a reasonable figure a family is expected to invest in the student's future, based on current income and assets. *It is not the amount you must pay the school.*

STUDENT LOAN FACTS

- You must be enrolled in at least six (6) hours towards a degree or certificate program to be eligible for a loan disbursement.
- Satisfactory academic progress must be maintained in order to receive the loan funds.
- You are required to notify the Financial Aid Office of any changes to your schedule, whether adding or dropping classes.
- Schedule changes may impact your eligible loan amount.
- All financial aid money received must be used for educational expenses related to your program of study at JWCC. Financial aid will be used first to pay tuition and fees at JWCC.
- If you withdraw from classes after receiving Federal financial aid funds, you may be required to return all or a portion of the funds received. You may owe charges on your account not covered by the adjusted awards.
- You must report in writing to the Financial Aid Office scholarships or grants received from sources other than John Wood Community College. (WIA, GAMM, DORS, Foundation Scholarships, etc.)
- You may not receive financial aid from two schools at the same time.
- All financial aid is awarded for one academic year only. You must reapply for financial aid each year.
- Classes that begin late within a semester may delay disbursement of a loan check.
- Open Learning Center class start dates must be confirmed before financial aid may be disbursed.
- Loan checks for first time borrowers through JWCC will not be disbursed until 30 days after first day of classes.
- Loan checks are delivered in two disbursements per loan period.

CHECKLIST

If you fail to complete all required information on this checklist, your loan request will be rejected.

- Complete the Free Application for Federal Student Aid (FAFSA).
- Submit an official copy of your high school transcript, or official GED scores to the Admissions Office.
- Register for a minimum of 6 credit hours for the term(s) for which the loan is intended. You must be registered as a degree seeking student in order to receive any type of financial aid.
- Complete and return all documentation requested by the Financial Aid Office (verification information, suspension and hourly limit appeals, etc.)
- Complete Student Loan Entrance Counseling if you are a first time borrower at JWCC.
- Complete the Master Promissory Note (MPN) if you are a first time borrower at JWCC.
- Complete, sign, and date the JWCC Loan Request Form for ALL borrowers at JWCC.

AFTER LOANS ARE PROCESSED...

- You will be notified in writing of your certified loan amounts and expected disbursement dates. Be sure to carefully read through ALL the information that is sent to you and keep it together for future reference. If you do not understand some or all of the information, please call us and we will do our best to explain the information.
- Loan checks come directly to the school for further processing. Two disbursements are issued for each loan. For first time borrowers, the first disbursement will occur 30 days following the start of classes. For returning borrowers, the first disbursement will occur after the first two weeks of the classes (after drop/add period). If receiving a semester only loan, the second disbursement will occur after mid-terms. If receiving a fall & spring loan, the second disbursement will occur after spring's two week drop/add period. Problems and delays could always occur, so try not to plan your living expenses around your expected loans.
- Some lenders mail letters including the disbursement dates of the loans. Please be aware that these dates are when the banks mail the loan checks to us- they are not the dates that the checks will be ready. Your notification letter will include the best estimated dates.
- Once the school has received and processed your loan check(s), you will receive a notification letter stating to come to our Business Office to endorse or pick up the check(s). If you owe any charges, the school will use the loan to pay those charges first. Once there is a credit balance on your account, you will be issued a refund within fourteen days from the date the credit balance occurred.

Statement of Satisfactory Academic Progress

The Federal Government requires that the Financial Aid Office of John Wood Community College (JWCC) monitor the academic progress of all applicants for student financial aid. JWCC reviews satisfactory academic progress at the end of each structured semester.

Quantitative Measures...

The quantitative requirement if broken down into the following two components:

1. Consistent progress toward the degree or certificate shall require that no less than 67% of all attempted coursework be successfully completed. This is a cumulative requirement and will be checked at the end of every term of enrollment.

EXAMPLE: To meet the minimum completion rate of 67%, a student who has attempted 28 cumulative credit hours at JWCC must successfully complete (earn) a minimum of 19 of those 28 hours (round up).

2. Students working toward an associate's degree shall be limited to 96 attempted credit hours.

In determining credit hour limits, it is important to note the following:

- All transfer-in hours are counted as attempted hours.
- Course withdrawals (if not within the 100% refund period) are counted as attempted hours.
- Repeated coursework and remedial classes are counted as attempted hours.

Qualitative Measure...

All students are required to meet a minimum cumulative grade point average as determined by the following:

After 9 hours of attempted coursework:	1.51
After 20 hours of attempted coursework:	1.60
After 30 hours of attempted coursework:	1.75
After 40 hours of attempted coursework:	1.85
After 50 hours of attempted coursework:	2.00

Review of academic records will take place once each semester, at the end of the structured term. Any student not meeting the **minimum** satisfactory academic progress standards at that time will be placed on financial aid probation. A student is eligible for funding while on probation. If **minimum** standards of satisfactory progress are not met by the end of the probationary term, the student will be placed on financial aid suspension and no further federal or state student assistance will be available.

Any student placed on financial aid suspension may appeal to the Director of Financial Aid for review of special circumstances. All appeals should be put in writing on the Satisfactory Academic Progress (SAP) Appeal form within 15 days of notification of status change.

Other Information

Loan Limits for Subsidized & Unsubsidized Stafford Loans:

- First year level, 0-27 earned credit hours, **\$3500 (\$1750 per semester)**
- Second year level, 28+ earned credit hours, **\$4500 (\$2250 per semester)**

Loan Limits for Parent PLUS & Alternative/Private Loans:

- Up to Cost of Attendance minus all other financial aid

Lindsay Herren

Financial Aid Specialist - (217) 641-4315

(Student loans, parent loans, Illinois Incentive for Access Grant, College Work Study, general financial aid questions)

Kathy Neisen

Financial Aid Specialist - (217) 641-4312

(Verification, documentation requirements, satisfactory academic progress, general financial aid questions)

Kathy Gerecke

Financial Aid Specialist - (217) 641-4311

(Illinois Student Assistance Commission programs (MAP, IVG, INGG), reports, general financial aid questions)

Melanie Lechtenberg

Director of Financial Aid - (217) 641-4310

(Appeals, special circumstances, professional judgment, dependency overrides, short-term emergency loans, policy questions, federal regulations)

Financial Aid Office Fax #: (217) 221-0778



John Wood Community College

1301 South 48th Street

Quincy, IL 62305