



# Hobart Institute of Welding Technology Federal Direct Loan Request Worksheet

Student Name: \_\_\_\_\_

Date: \_\_\_\_\_

Student Email address: \_\_\_\_\_

Student Phone Number: \_\_\_\_\_

### **A: Completed by Dependent Student**

- 1.) Student is applying for the following loan(s),
- \$3500 Federal Direct Subsidized Loan
  - \$2000 Federal Direct Unsubsidized Loan

I wish to borrow the maximum amount:  
 Yes \_\_\_\_ No \_\_\_\_ Other \_\_\_\_\_

- 2.) Student completed the loan process at [studentloans.gov](http://studentloans.gov)
- \_\_\_\_ Entrance Counseling
  - \_\_\_\_ Master Promissory Note (MPN)

### **B: Completed by Parent:**

Only if applying for Direct Parent PLUS Loan

Borrower Name: \_\_\_\_\_

Borrower Phone Number: \_\_\_\_\_

Borrower Email Address: \_\_\_\_\_

- 1.) Federal Direct Parent PLUS Loan \$ \_\_\_\_\_
- 2.) Parent completed the loan process at [studentloans.gov](http://studentloans.gov)

- \_\_\_\_ Apply for Direct PLUS
- \_\_\_\_ Master Promissory Note for Direct PLUS

- 3.) If the Direct Parent PLUS Loan is denied due to the results of the credit check:

- \_\_\_\_ Use Endorser
- \_\_\_\_ Additional Direct Unsubsidized Loan (student)
- \_\_\_\_ Take no further action

Checks released to parent will be mailed and not available for pickup. Checks released to students will be available for pickup.

Release excess monies to: Parent  Student

Complete D: Handling of Excess Funds

### **C: Completed by Independent Student**

- 1.) Student is applying for the following loan(s),
- \$3500 Federal Direct Subsidized Loan
  - \$6000 Federal Direct Unsubsidized Loan

I wish to borrow the maximum amount:  
 Yes \_\_\_\_ No \_\_\_\_ Other \_\_\_\_\_

- 2.) Student completed the loan process at [studentloans.gov](http://studentloans.gov)
- \_\_\_\_ Entrance Counseling
  - \_\_\_\_ Master Promissory Note (MPN)

By submitting this document, I authorize the Hobart Institute of Welding Technology Financial Aid Office to award the requested loans to be used for educational cost. I acknowledge, I am requesting a loan and unless I submit written notification to cancel my loan, funds will be requested for disbursement to my HIWT account. I have completed all required steps and take full responsibility for the loans I am requesting. Loans are not considered gift aid and must be repaid. I certify the above information is correct to the best of my knowledge.

***Financial Aid funding will not eliminate student payments until the aid meets or exceed tuition, books and fees.***

### **D: Handling of Excess Funds**

Excess funds occur when aid meets and exceeds the cost of tuition and books. In the event of excess funds from any financial aid funding:

- Yes  No  Deduct \$369 for supplies
- Yes  No  Deduct for retake/additional classes

Excess funds are released by check the Friday after the disbursement is posted to the account.

Return to HIWT FA Office:

Document can be uploaded via the student portal at [www.welding.org](http://www.welding.org), [financialaid@welding.org](mailto:financialaid@welding.org), 937-332-9550(f)

## FEDERAL DIRECT LOANS

The Direct Loan is a low-interest loan designed to provide students with additional funds to assist in paying for education costs not covered by other sources of financial aid. There are two types of Direct loans: subsidized and unsubsidized. To qualify, you must first complete the FAFSA and be enrolled in the Combination Structural & Pipe Welding or Structural Welding program.

Repayment begins 6 months after you graduate, leave school, or cease to be enrolled.

## FEDERAL DIRECT SUBSIDIZED LOAN

The Subsidized Loan is based on financial need as determined by the Free Application for Federal Student Aid (FAFSA). The federal government pays the interest while you are in school full time.

## FEDERAL DIRECT UNSUBSIDIZED LOAN

The Unsubsidized Loan is not based on need, which means students at any income level can qualify. Interest will accrue while in school, during your grace period, and during any authorized deferment periods. The student has the option of paying the interest while in school.

## FEDERAL DIRECT PARENT PLUS LOAN

The Parent PLUS Loan is a federally sponsored education loan that offers a low, fixed interest rate. The standard repayment period is ten years, but there is no penalty for early payoff. These loans typically go into repayment 60 days after full disbursement. You may delay repayment while your student is enrolled in school; however interest will continue to accrue. **If your application is denied, your student may be eligible to borrow an additional Direct Unsubsidized Loan as a result of the Direct Parent PLUS denial.**

## FEDERAL STUDENT AID DISBURSEMENTS

*Federal Financial Aid is received in 2 disbursements. The 1<sup>st</sup> disbursement is received after 4 weeks of instruction and the 2<sup>nd</sup> disbursement after the program is 50 % complete. Federal funds will reduce student payment obligations.*

More information is located at [studentaid.ed.gov](http://studentaid.ed.gov).

The Federal Student Aid Ombudsman Group of the U.S. Department of Education is dedicated to helping resolve disputes related to Federal Direct Loans. The Ombudsman Group is a neutral, informal, and confidential resource to help resolve disputes about your federal student loans. Contact at U.S. Department of Education, FSA Ombudsman Group, 830 First Street, N.E., Mail Stop 5144, Washington, DC 20202-5144  
(p) 1-877-557-2575, (f) 202-275-0549

## LOAN FEES

Federal student loans have loan fees that are a percentage of the total loan amount. The loan fee is deducted proportionately from each loan disbursement you receive. This means the money you receive will be less than the amount you actually borrow. You're responsible for repaying the entire amount you borrowed and not just the amount you received.

The chart below shows the loan fees for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans.

Direct Loan Fees for FY 18 and FY 19			
Loan Type	First Disbursed	Loan Fee Percent	Fee Example
Direct Subsidized Loans and Direct Unsubsidized Loans	On or after October 1, 2017 and before October 1, 2018	1.066	\$58.63 on a \$5,500 loan
	On or after October 1, 2018 and before October 1, 2019	1.062	\$58.41 on a \$5,500 loan
Direct PLUS Loans (Parent and Grad/Prof Student)	On or after October 1, 2017 and before October 1, 2018	4.264	\$426.40 on a \$10,000 loan
	On or after October 1, 2018 and before October 1, 2019	4.248	\$424.80 on a \$10,000 loan

Loan fee calculations that result in more than two decimal places must be truncated (not rounded) to two digits after the decimal point (cents).

## **INTEREST RATES EFFECTIVE JULY 1, 2018**

### **Fixed Rates for Loans First Disbursed on or After July 1, 2019**

Subsidized Loans	Unsubsidized Loans	Parent PLUS Loans
5.05%	5.05%	7.60%

Sample Repayment Chart, standard repayment option:

Amount Borrowed	Number of Payments	Monthly Payment at 5.05%	Monthly Payment at 7.00%
\$2,000	43	\$50	\$50
\$3,500	80	\$50	\$50
\$5,500	120	\$59	\$66
\$9,500	120	\$101	\$113
\$10,000	120	-	\$119
\$15,000	120	-	\$179
\$20,000	120	-	\$238
\$25,000	120	-	\$298
\$30,000	120	-	\$358