



Hobart Institute of Welding Technology

Federal Direct Loan Request Worksheet

Return to HIWT FA Office: uploaded via the student portal or email financialaid@welding.org

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

Eligibility is reduced for the 24 week program:
 \$3230 Federal Direct Subsidized Loan
 \$1846 Direct Unsubsidized Loan

I wish to borrow the maximum amount:

If the Parent PLUS Loan is denied students Maximum Eligibility for Unsubsidized loan increases up to \$6000.

Yes ___ No ___ Other _____

- 2.) Student completed the loan process at <https://studentaid.gov>
- ___ Entrance Counseling (Subsidized/Unsubsidized)
- ___ Master Promissory Note (MPN)

C: Completed by Independent Student

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

Eligibility is reduced for the 24 week program:
 \$3230 Federal Direct Subsidized Loan
 \$5538 Direct Unsubsidized Loan

I wish to borrow the maximum amount:

Yes ___ No ___ Other _____

- 2.) Student completed the loan process at <https://studentaid.gov>
- ___ Entrance Counseling (Subsidized/Unsubsidized)
- ___ Master Promissory Note (MPN)

B: Completed by Parent:

Only complete if applying for Direct Parent PLUS Loan

Borrower Name: _____

Borrower Phone Number: _____

Borrower Email Address: _____

- 1.) Federal Direct Parent PLUS Loan

A. Tuition, Books and Fees

OR

B. Specified Amount \$ _____

- 2.) Parent completed the loan process at

<https://studentaid.gov>

___ Apply for Parent PLUS Loan

___ Master Promissory Note for Parent PLUS Loan

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

___ Use Endorser

___ Take no further action

D: Handling of Stipend or Excess Funds

Excess funds occur when aid exceeds the cost of tuition, books and fees. In the event of excess funds on your account from any financial source, please do the following:

Yes No Deduct for equipment/supplies

Yes No Deduct for retake/additional classes

Release Excess Funds from Direct Parent PLUS Loan to:

Parent

Student

Checks issued to parent are not available for pick up, they will be mailed to address on file. Checks issued to students will be available or pick up at the Bursar's office.

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

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.

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

FEDERAL DIRECT LOANS

The Federal Direct Loan is a low-interest loan borrowed from the US Department of Education. There are two types of Federal Direct loans: subsidized and unsubsidized. To qualify, you must first complete the Free Application for Federal Aid (FAFSA) and be enrolled in the Combination Structural & Pipe Welding or Structural Welding program. Repayment to the Servicer 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 FAFSA. The federal government pays the interest while you are in school full time.

FEDERAL DIRECT UNSUBSIDIZED LOAN

The Unsubsidized Loan is not need based, 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. Contact Servicer to establish interest payments.

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. **As a result of the Direct Parent PLUS Application denial, the student may be eligible to borrow up to \$6000 Direct Unsubsidized Loan.**

FEDERAL STUDENT AID DISBURSEMENTS

Federal Financial Aid is received in 2 disbursements. The 1st disbursement is received after 4 weeks of instruction and the 2nd disbursement after the program is 50 % complete.

More information is located at studentaid.gov.

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 20 and FY 21			
Loan Type	First Disbursed	Loan Fee Percent	Fee Example
Direct Subsidized Loans and Direct Unsubsidized Loans	On or after October 1, 2019 and before October 1, 2020	1.059	\$58.24 on a \$5,500 loan
	On or after October 1, 2020 and before October 1, 2021	1.057	\$58.13 on a \$5,500 loan
Direct PLUS Loans (Parent and Grad/Prof Student)	On or after October 1, 2019 and before October 1, 2020	4.236	\$423.60 on a \$10,000 loan
	On or after October 1, 2020 and before October 1, 2021	4.228	\$422.80 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, 2020

Fixed Rates for Loans First Disbursed on or After July 1, 2020 and before July 1, 2021

Subsidized Loans	Unsubsidized Loans	Parent PLUS Loans
2.75%	2.75%	5.30%

Sample Repayment Chart, standard repayment option:

Amount Borrowed	Number of Payments	Monthly Payment at 2.75%	Monthly Payment at 5.30%
\$2,000	43	\$50	\$50
\$3,500	80	\$50	\$50
\$5,500	120	\$52	\$59
\$9,500	120	\$91	\$102
\$10,000	120	-	\$108
\$15,000	120	-	\$161
\$20,000	120	-	\$215
\$25,000	120	-	\$269
\$30,000	120	-	\$323