

Columbia Theological Seminary
2011 – 2012 William D. Ford Federal Direct Loan Program
Steps and Checklist

Students may apply for federal student loans, at any time, during the academic year of the specific, current loan year. For example, if the student is enrolled for Greek School, Fall, Winter, and Spring terms, the student may request a loan in the spring for the entire academic year. HOWEVER, federal student loans may not be certified for the current loan year to cover the prior year's expenses. Students must reapply for student loans each year.

____1. Complete the **Free Application for Federal Student Aid (FAFSA)** on-line (www.fafsa.ed.gov). The seminary's school code is **G01560**. The FAFSA is used to calculate the amount of the **Expected Family Contribution (EFC)**. The EFC is the amount determined by the federal methodology that a student should be able contribute to the cost of his/her education based on having income for the current year that is similar to the prior year's income. If there is a significant difference in income you would like us to consider in determining your loan eligibility, please write an explanatory letter and include your actual or projected income for the twelve-month period that includes the periods that you will be enrolled.

____2. You will receive a **Student Aid Report (SAR)** from the FAFSA processor. All schools you listed on the FAFSA will receive a copy of the FAFSA information electronically (**ISIR**). When you receive your SAR, please review it carefully, make any corrections electronically or mail it back to the processor.

____3. **Entrance Interview** – **Entrance Interviews are required.** Contact the Financial Planning Office at (404)687-4582. This interview provides you with information about the loan process and must take place before a school can disburse to you the loan funds that you are borrowing. It is to insure that you understand your rights and responsibilities as a borrower of a federal government loan. (Entrance interviews are **required for first-time CTS borrowers.**) **Entrance interviews may be completed on line at:** <https://studentloans.gov>.

____4. *Complete the ***William D. Ford Direct Loan Master Promissory Note (MPN)**. Read the information provided with the MPN. If you have not previously received a Direct Loan you must complete a Direct Loan MPN. The MPN is a legal document through which you promise to repay the loan and any associated fees and interest. It may be used for up to ten (10) years. To complete the form electronically go to: <https://studentloans.gov>. This process requires a Federal Student Aid Pin. To apply for a pin visit: www.PIN.ed.gov.

____5. *Complete the ***Verification Form**. Provide a **signed** copy of your ***federal income tax return** for the prior year signed by student and spouse, if applicable.) If you completed Worksheets A, B and/or C of the FAFSA, attach copies, fill in the figures on the enclosed copy, or include the figures in Section C#2 of the Verification Form.

____6. *Complete the **Financial Assistance Statement Form**. Please be reminded that should you borrow the maximum you are eligible to borrow and later receive unanticipated financial assistance, we are required by federal regulations to notify your lender so that your loan can be reduced accordingly if all disbursements of the loan have not been received. Therefore, please be sure to list all money you are **sure** you will receive to help pay for your educational costs for the time period of the loan.

____7. *Have the Registrar complete the ***Satisfactory Academic Progress** form. Should you not be making **satisfactory academic progress** according to the policy printed in the Student Handbook, ordinarily you will not be eligible for a loan. For entering students, satisfactory academic progress has not yet been determined.

____8. *Note: **Advanced degree students (Th.M., Th.D.)** Complete the **Educational Costs Worksheet** to determine you Cost of Attendance. It may also be necessary for you to meet with the financial aid officer to calculate educational costs. (Please provide requested documentation for costs. Without the documentation, the cost can not be included in the "cost of attendance" used to determine your loan eligibility.)

____9. *After these forms are received, the Financial Aid Office will determine your **loan eligibility** and will send you a ***Certification of Loan Amount** that you must complete and **return** to the Financial Planning Office.

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Of your total eligibility, you may indicate on this form the amount you want to borrow. You may be eligible for either subsidized, unsubsidized or a combination of these funds.

Subsidized loan eligibility (government pays the interest during school and grace period) is determined by the following formula: (Cost of attendance minus expected financial aid minus expected family contribution)

$$\text{COA} - \text{EFA} - \text{EFC}$$

The maximum subsidized loan amount per year is **\$8,500**.

Unsubsidized loan eligibility (interest accrues immediately) is determined by the formula:

$$\text{COA} - \text{EFA (including subsidized loan funds.)}$$

The maximum combined loan amount a student may be eligible for is **\$20,500** per year. A student may not borrow more than the result of the formulas above.

(Because family expenses are taken into account in determining the EFC, generally only the student's expenses and documented dependent care expenses are included in the Cost of Attendance.

10. The Financial Planning Office will then certify your loan through Common Origination and Disbursement (COD) System for processing by the federal government.

11. COD will **forward** loan **disbursements** to the Business Office on the disbursement dates specified on the School Certification Form.

- **Disbursement dates** are set to coincide with the beginning of Summer Term, and/or Greek School, Fall Semester, and Spring Semester. There is not a separate disbursement for winter term. Because the terms are not of equal length, you will need to factor your winter term expenses into the fall semester disbursement.

12. **Receiving your loan funds:** The **Business Office** will contact you when your loan funds are available.

- **You must “reply all” as specified in the email sent to you.**
- Loan funds will be credited to your student account within three business days of receipt of the funds.
- If the funds result in a **credit balance**, you may request the balance by submitting a check request form to the Business Office. If the loan disbursement is intended to cover tuition, room, or board charges for a term for which charges have not yet been entered on your account (for example-winter term), you may wish to leave an appropriate amount in your account.
- You may **refuse** a loan disbursement, or accept a **partial** amount at the time the funds are presented to you for acknowledgement. The disbursement or the difference will be returned to U.S. Department of Education. You may also request that your loan amount be reduced or a disbursement be cancelled prior to the disbursement date.

*The attached forms are to be returned to the CTS Financial Planning Office.

Please stop by the Financial Planning Office any time you have questions or concerns about this process.