

**2011-2012
Student and Parent Loan
Information/Applications**

Dear Student or Parent Loan Borrower:

Your Financial Aid Award Notice lists loan options for you to consider. This sheet is designed to provide you more information about those options.

Federal loans must be repaid; these are loans, not grants. You are responsible for repaying both principal and interest on the loan funds received.

Loan Fees: The govt. will charge a fee for processing your loans. This can range from .5% for student loans to 2.5% for parent loans. These fees are deducted from your loan proceeds before disbursement.

Subsidized Stafford Loan: Fixed 3.4% interest. Interest accrual and repayment begin 6 months after leaving school. This loan is based on eligibility and will be disbursed half in the Fall and half in the Spring. Teacher and Public Service Loan Forgiveness options available at www.studentloans.gov

Unsubsidized Stafford Loan: Fixed 6.8% interest. Payments begin 6 months after leaving school. Loan forgiveness options available at www.studentloans.gov

Perkins Loan: Fixed 5% interest. Interest accrual and repayment begins 9 months after leaving school. This loan is based on eligibility. If you are eligible, the loan application is included in your award letter. Loan forgiveness options available at www.studentloans.gov

Preferred Lender Selection Procedures: Master Prom Note for First Time Stafford or PLUS loans
Bethel College offers loans through William D. Ford Direct Lending which means you bypass the bank and borrow directly from the government. Go to www.studentloans.gov to apply for the Stafford Loan or the Parent loan. Parents will need to log in and (1) Request a PLUS Loan and (2) Complete Master Promissory Note. There is only one application for both Stafford loans. If you are a transfer student and have already filled out the Direct Stafford Master Promissory Note you will not have to fill it out again.

First time Stafford Loan borrowers must also complete an Entrance Interview. Again, please go to www.studentloans.gov. We can't disburse your funds until you have completed this process.

To receive the above mentioned loans, you must complete the Master Prom Note online and **Award Response Sheet** (included in your packet) must be filled out and returned to the financial aid office at Bethel.

Sincerely,

Tony Graber
Director of Financial Aid