

Federal Family Education Loan Programs

Welcome to Big Bend Community College (BBCC). The BBCC Financial Aid Office realizes that financing a college education is an important concern for many students and their families. Financial higher education often involves deferring some of the costs through a low interest loan program. Your investment in a BBCC education requires informed financial decisions about federal loans and, the BBCC Financial Aid Office is committed to assisting you with a complete understanding of your federal loan eligibility and options.

PLEASE READ THROUGH THIS INFORMATION CAREFULLY PRIOR TO COMPLETING THE STAFFORD LOAN WORKSHEET. Contact the Financial Aid Office if you have any questions.

The following information contains detailed instructions for processing your student loan electronically. To apply for a Federal Stafford Loan (Subsidized and/or Unsubsidized), you must complete and submit the Stafford Loan Worksheet. This Stafford Loan Worksheet is your written permission for the Big Bend Community College Financial Aid Office to process your Federal Stafford Loan(s).

The Application Process for New Borrowers at BBCC

BBCC electronically certifies Stafford Loan Master Promissory Notes (MPN). This electronic process eliminates the time consuming procedures of manually certifying MPNs, which results in a simplified, more efficient loan process. The loan process at BBCC is as follows:

1. Access the website: www.nela.net
2. In the left column, select "Online Loan Counseling". Then select "Big Bend Community College" from the drop-down list under "Entrance Counseling".
3. Return to the www.nela.net homepage. Select "Online Loan Application" from the left column. Select "Big Bend Community College—Stafford Loan" from the drop-down list. This will take you to the "worksheet". Enter all information and click on "submit" at the bottom of the page.
4. Click on the "Register" button to set up your user ID and password. Once you have completed the registration process, you will be taken back to the original screen to enter your User ID and Password then click on the "Log In" button. This will take you to the beginning of the Master Promissory Note (to expedite the process, you might want to consider doing the electronic signature). Your application will be finished once you have completed the following three items on the NELA website:
 - a. Entrance Counseling
 - b. Loan Worksheet
 - c. Master Promissory Note
5. After completing the MPN (if you do NOT e-sign the promissory note) you will print the MPN, sign and date the form. Return the completed and signed MPN to the BBCC Financial Aid Office.

NOTE: If you electronically sign your MPN, you do not need to print a copy of the MPN for BBCC (you may want to print one for your records).

6. BBCC will then certify your loan if...
 - a. Entrance Counseling has been completed by first-time borrowers at BBCC.
 - b. Your financial aid application is complete at BBCC.
 - c. You are eligible for loan proceeds.
7. You will receive an Electronic Award Notification with the maximum loan amounts you are eligible to receive, or the maximum amount of your request, whichever is lower.
8. Your lender will process your loan and disburse the appropriate funds by the Electronic Funds Transfer process to BBCC quarterly.

The Stafford Loan Program

Stafford Loans are part of the Federal Family Education Loan Program (FFELP). The Stafford Loan Program offers two types of low-interest, variable-rate loans for student borrowers: subsidized Stafford Loans and unsubsidized Stafford Loans. Both have a variable interest rate, adjusted annually, with a cap of 8.25 percent.

SUBSIDIZED STAFFORD LOANS:

With a subsidized Stafford Loan, the government makes the interest payments on your loan at certain times, such as while you're in school or in deferment. To qualify for a subsidized Stafford Loan, you must demonstrate financial need on your Free Application for Federal Student Aid (FAFSA). Financial need is determined by taking into account your family's earnings, assets and expenses. The results reveal how much you and your family must contribute toward your education costs and your need for financial aid.

UNSUBSIDIZED STAFFORD LOANS:

With an unsubsidized Stafford Loan, you're always responsible for interest payments, even while you are in school. You can either make interest payments or postpone them. If you postpone interest payments, the lender will add the accrued interest to your principal balance. This is known as capitalization. Capitalization increases the total amount you will repay, so it benefits you to make interest payments to keep the balance down. Financial need is not required to qualify for an unsubsidized Stafford Loan, but the costs of your education must exceed any other financial aid you have been awarded.

Student Loan Questions?

If you have a student loan issue to resolve, first contact your Financial Aid Office, lender, servicer or guarantor. If these organizations are unable to help you, contact the Department of Education's Student Financial Aid (SFA) Ombudsman at (877) 557-2575. The Ombudsman is a neutral independent office that works with student borrowers to help resolve student loan problems.

Borrowing Limits

The federal government limits the maximum amount you can borrow annually. The BBCC Financial Aid Office determines how much of the maximum you are eligible to borrow each year.

Keep in mind that you may be repaying your Stafford Loan for as long as 10 years—more under loan consolidation options. The more you borrow, the higher your monthly payments will be. Don't borrow more than you need. The size of your monthly payments may make the difference between manageable and unmanageable debt in your future.

Loan Limits Chart

| ACADEMIC YEAR | DEPENDENT Sub &/or Unsub | INDEPENDENT Sub & Unsub + Add'l Unsub |
|---|--------------------------------|--|
| First Year (0-45 credits completed) | \$ 3,500 | \$ 3,500 + \$ 4,000 = \$ 7,500 |
| Second Year (45+ credits completed) | \$ 4,500 | \$ 4,500 + \$ 4,000 = \$ 8,500 |
| AGGREGATE Undergraduate LIMITS | \$23,000 | \$23,000 + \$23,000 = \$46,000 |

What To Look For When Choosing A Lender

- **What sort of interest rate reduction programs does the lender offer?**
Many lenders will offer to reduce your interest rate after you make a certain number of consecutive payments on-time. Other offers include a rate reduction if you sign up to have your student loan payment automatically withdrawn from your bank account. You should compare lenders to determine which one will work best for you.
- **Do you have the ability to apply for and service your loan online?**
Not all lenders offer borrowers Internet loan servicing capabilities. Some lenders allow only basic transactions to be completed over the Internet while others offer a full array of services. If you want to be able to service your account online at your convenience anytime, anywhere, then you should evaluate what each lender has to offer.
- **Does the lender sell its loans?**
Many student loan lenders sell their loans either immediately after disbursement or at repayment. This can often create confusion when it comes time to repay your loan.
- **Is the lender a name you know and trust?**
Taking out a student loan may be your first experience with credit. It is important that you establish a relationship with a lender who has proven to be reliable and provides a history of dependable service.