

Applying for Direct Loans at Lamar State College - Orange

Step One: Applying for Aid

As with all federal student aid, you apply for Direct Loans by filling out the Free Application for Federal Student Aid (FAFSA) at (www.fafsa.gov). The information on your FAFSA is transmitted to the schools that you list on the application, and those schools use the information to assess your financial need for student aid. Our school code is 016748.

Step Two: Accepting a Loan and Loan Limits

You will be notified of the loan amounts being offered in an "award notification" that lists all of your proposed financial aid awards (your award package) on your MyLSC-O. To access this you may go to <http://my.lsc.edu> or log in to www.lsc.edu and click the MyLSC-O icon on the right side of the homepage. Once you've logged in, you will find your Financial Aid information under the Academic Services section.

The Direct Loan Program offers the following types of loans:

- **Subsidized:** for students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace period, and during deferment periods. If you are not selecting both subsidized and unsubsidized loan amounts, please exercise caution and select the subsidized loan first.
- **Unsubsidized:** not based on financial need; interest is charged during all periods, even during the time a student is in school and during grace and deferment periods.
- You should evaluate the aid offer carefully. In the case of loans, keep in mind that whatever amount you borrow must be paid back with interest. If your living expenses are not as high as the standard allowance projected by your school, you may not have to borrow as much as the amount in the award notification.

*You have the right to decline the loan or to request a lower loan amount. Instructions for this process will be included in your award notification.

To get an idea of your monthly loan payments after you graduate, take a look at the repayment calculator located on www.StudentLoans.gov .

(Loan Limits)

The maximum amount you can borrow each year in Direct Subsidized and Unsubsidized Loans depends on your grade level and on whether you are a dependent or an independent student. The table shows the maximum amount of money you may borrow each academic year in Direct Subsidized and Unsubsidized Loans:

	Dependent student¹	Independent student²
1st-year undergraduate	\$5,500 (maximum \$3,500 subsidized)	\$9,500 (maximum \$3,500 subsidized)
2nd-year undergraduate	\$6,500 (maximum \$4,500 subsidized)	\$10,500 (maximum \$4,500 subsidized)

*The actual loan amount you are eligible to receive for an academic year is determined by your school and may be less than the maximum annual amounts shown in the chart above.

Step Three: Entrance counseling

If you haven't previously received a Direct Loan at Lamar State College - Orange, you must complete entrance counseling before we can process the first disbursement of your loan. This step helps you to understand your responsibilities regarding your loan. You can complete this on www.StudentLoans.gov.

Step Four: The Master Promissory Note

To take out a Direct Loan for the first time at Lamar State College - Orange, you must complete a Master Promissory Note (MPN). You can complete the MPN online on www.StudentLoans.gov. The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department of Education. It also explains the terms and conditions of your loan(s).

To complete an MPN online, you will be required to use your Department of Education-issued PIN. If you do not have a PIN, you may request one from the official PIN site (www.pin.ed.gov).

You'll receive a disclosure statement that gives you specific information about any loan that the school plans to disburse under your MPN, including the loan amount, fees, and the expected disbursement dates and amounts.

Important Things to Remember!

- Disbursements for first time borrowers must be delayed until 30 days after the beginning of the semester. The disbursement date for repeat borrowers will be on or about the first class day. *Please allow several days after that date for your loan to be processed and direct deposited.*
- You must maintain satisfactory academic progress to receive loans. Our SAP policy is posted on our website under the Financial Aid section for your review.
- Borrow wisely. These funds must be repaid. Do not over-borrow.