

FEDERAL DIRECT LOAN UPDATE FORM | 2021-2022

Name LMC Student ID

Phone Email

All students (unless cancelling your entire loan) must complete Section A including the acknowledgments. Please check one of the following and then complete only the related sections regarding the updates that you want regarding your Federal Direct Loans.

- To **Cancel** a previously accepted loan – Complete **Section B (Section A not required)**
- To **Reduce** the amount on a previously accepted loan – Complete **Section C (and Section A)**
- To **Reinstate & Accept** a previously Declined/Cancelled loan – Complete **Section D (and Section A)**
- To **Increase** an already Accepted loan – Complete **Section E (and Section A)**

Section A – Enrollment Information, Loan Information, and Student Loan Acknowledgments

- 1) Indicate the number of credit hours you will be enrolled for during each of the semesters for which you are requesting a loan. Note: You must enroll in a minimum of six credit hours each semester you request a loan.
 Fall: Below 6 Credit Hours 6-8 Credit Hours 9-11 Credit Hours 12+ Credit Hours
 Spring: Below 6 Credit Hours 6-8 Credit Hours 9-11 Credit Hours 12+ Credit Hours
 Summer: Below 6 Credit Hours 6+ Credit Hours
- 2) Have you already accepted Student Loans through your Wavelink Account? Yes No
- 3) Have you completed all of the requirements for the Student Loans (Master Promissory Note and Loan Entrance Counseling)? Yes No
- 4) Loan Information
 - **Subsidized**—Loans are need-based for which interest is paid by the government while in school at least half time.
 - **Unsubsidized**—Loans where the student is responsible for paying the interest that accrues from the time the loan is disbursed.
 - **150% Subsidized Loan Limit**—Limit on the number of credit hours (50% more than the normal number of credit hours it takes to complete a program) for which you can borrow subsidized loan. Once over this 150% threshold, a student is only eligible for unsubsidized loan funding.
 - **Origination Fees and Interest Rates**—The origination fee is a loan processing fee that the federal government takes out of the loans before disbursement to help run the program. The current origination fee is 1.057%, and the current interest rate is 2.75%.
 - **Loan Limits**—LMC students cannot borrow beyond the sophomore level. The full “Base” amount can be fully or partly Subsidized depending on eligibility. If not eligible, then it is Unsubsidized.

<u>Dependent Students</u>	<u>Base</u>	<u>Max Additional Unsubsidized</u>
Freshman (0-29 credits)	\$3,500	\$2,000 (max-\$5,500 total)
Sophomore (30+ credits)	\$4,500	\$2,000 (max-\$6,500 total)

<u>Independent Students</u>	<u>Base</u>	<u>Max Additional Unsubsidized</u>
Freshman (0-29 credits)	\$3,500	\$6,000 (max-\$9,500 total)
Sophomore (30+ credits)	\$4,500	\$6,000 (max-\$10,500 total)

<u>Aggregate Loan Limits</u>
Dependent Students: \$31,000 (only \$23,000 can be subsidized)
Independent Students: \$57,500 (only \$23,000 can be subsidized)

<u>Please Borrow Responsibly!</u>
<u>These are LOANS that MUST be Repaid!</u>

The following must be acknowledged before we will begin processing your Loan Update Form:

- I understand that that the total amount of financial aid (including loans) cannot exceed the cost of attendance as established by Lake Michigan College.
- I understand that I must remain enrolled in and attend at least 6 credit hours each term at the time of disbursement in order to receive loan funds.
- I understand that the loan proceeds must only be used for authorized expenses including tuition, room and board, fees, books, supplies, equipment, dependent child care, and transportation costs.
- I understand all loan request forms are reviewed by the financial aid department and LMC can refuse to originate the loan or can modify the loan amount if the school documents the reason and explains the reason to the borrower.
- I understand that I have the right to cancel all or a portion of my loan. All cancellation notices must be done in writing and submitted to the Financial Aid office before the loans are disbursed.
- You are required to go through Exit Counseling at studentloans.gov within 30 days from the time you drop below 6 credit hours, cease enrollment, or graduate.
- The Federal Student Aid website, studentaid.gov provides information to track and manage federal student loans and/or grants. It is available 24 hour a day/7 days a week. Use your FSA ID and password to access this information.

For Sections B through E below, please provide the loan period(s) for which you are requesting the updates:

Loan Period: Fall/Spring Fall Only Spring Only Spring/Summer Summer Only

Section B—Cancel Previously Accepted Loan

I would like to cancel all loans that were previously accepted and have not been disbursed.

Section C—Reduce the Amount of a Previously Accepted Loan

I would like to reduce the amount of my loan to \$

Section D—Re-instate a Previously Declined/Cancelled Loan

I would like to reinstate the loan that I previously accepted (If decreasing the amount, also fill out Section C)

Section E—To Increase an Already Accepted Loan

I would like to increase my loan by \$. I understand that the final amount is determined by my eligibility and therefore, the amount increased may only be the maximum available under my circumstances.

My signature below authorizes the changes to my Federal Direct Loans. I understand that if I don't fully understand everything on this form that I will contact the Financial Aid Department for clarification before signing. With my signature below, I certify that I have read and understand the information in this document regarding Federal Direct Loans. I further understand that financial aid policies, procedures, and guidelines are not limited to what is provided in this document and that it is my responsibility to obtain, read and understand all policies and regulations relative to my loans and any other financial aid. I also understand that if I withdraw from classes, I may be required to return part or all of the loan amount I receive. My signature below also authorizes the changes to my Federal Direct Loans. I understand that if I don't fully understand everything on this form that I will contact the Financial Aid Department for clarification before signing.

Student Signature:

Date:

FA Office Use Only		Loan Period _____	Approved _____ Denied _____
COA _____ EFC _____	Enrollment: FA ___ SP ___ SU ___	Grade Level _____	SAP _____ SULA _____ Aggregate _____ Ind or Dep _____
Aid _____ Need _____	Loan already accepted: Sub _____ Unsub _____		
Eligible/Approved Sub _____	Eligible/Approved Unsub _____	RRAAREQ _____ RHACOMM _____	
Loan processed by _____		Date _____	