



Steps for Applying for a Stafford and/or PLUS (Parent) Loan

A. For First-Time Stafford Loan Borrowers

1. Complete Sections A and B of the enclosed Loan Request Form.
2. Electronically sign your Stafford Loan Master Promissory Note (MPN) online.
 - Go to www.ecmc.org
 - Click on student/borrower
 - Under “Forms”, click on Electronically sign your Stafford Loan Master Promissory Note (MPN).
 - Click “I Agree” and proceed through the various screens reading the terms and conditions of the MPN, and submit all required information. Note: You will be asked to select your lender. Please refer to the reverse side of the loan request form for lender information.
3. Complete Stafford Loan Entrance Counseling online:
 - Go to <http://www.ferrum.edu/financialaid/finaidlinks.htm> and click on Stafford Loan Entrance Counseling.
 - You will be redirected to the entrance counseling website. Please enter all requested information and scroll to the bottom of the screen and select “Entrance Counseling.”
 - Answer all of the questions as you continue through the various screens.
 - At the end of the session, you will be prompted to complete a 17 question quiz. You must correctly answer 12 out of 17 questions in order to complete entrance counseling. You will be asked to take the session again if you do not answer 12 questions correctly. After you have completed the session, click “Continue” and the information will be electronically transmitted to the Financial Aid Office.

B. For Prior Borrowers (Returning Students and Transfers)

1. Complete Sections A and B of the enclosed Loan Request Form.
2. Make sure that you select the same lender that you have borrowed through previously.
3. If you plan on attending for the academic year, select “Academic Year” on the request form. Fall graduates should check “Fall Only” and students enrolling for spring only should check the “Spring Only” box.

C. PLUS (Parent Loan) Borrowers

1. Complete sections A and C of the enclosed Loan Request Form.
2. Electronically sign your PLUS Loan Master Promissory Note (MPN) online.
 - Go to www.ecmc.org
 - Click on student/borrower
 - Under “Forms”, click on Electronically sign your PLUS Loan Master Promissory Note (MPN).
 - Click “I Agree” and proceed through the various screens reading the terms and conditions of the MPN, and submit all required information. Note: You will be asked to select your lender. Please refer to the reverse side of the loan request form for lender information.

FOR PLUS LOAN BORROWERS ONLY: If your child will need extra money for miscellaneous expenses that are not covered by the financial aid award, you may want to apply for a larger PLUS Loan to cover these costs. For example, books cost between \$700-\$800 per year and loan processing fees ranging between 3-4% will reduce the actual amount that is received for both Stafford and PLUS Loans.

For processing and verification of eligibility, mail the Loan Request Form to:

Financial Aid Office

P.O. Box 1000

Ferrum, VA 24088

or fax your application to (540) 365-4266.

Important Stafford and PLUS Loan Information

Subsidized and Unsubsidized Federal Stafford Loans

The Subsidized Federal Stafford Loan is based on financial need which is determined by using a federal formula. A loan is “Subsidized” when the government pays the interest for you during the following periods:

- While you are enrolled in school at least half time
- During the six-month grace period after you stop attending school at least half time
- During periods of authorized deferment

The Unsubsidized Federal Stafford Loan is not based on financial need and is available to all students regardless of income. Because this loan is not subsidized by the government, the student is responsible for all interest which accrues during in-school, grace, and deferment periods. Students may choose to make interest payments while in school, or they may defer and accrue the interest until repayment.

Repayment on Stafford Loans (Subsidized and Unsubsidized) begins 6 months after the student drops below half -time or graduates. The interest rate on Stafford Loans is variable and set every July 1 based on the 90-day T-Bill. The Stafford Loan interest rate is capped at 8.25%.

Federal law requires that we inform you that the average Stafford Loan indebtedness (Subsidized and Unsubsidized) of Ferrum College graduates is approximately \$16,300.

Federal PLUS Loans

The Federal PLUS (Parent) Loan is available to parents to help them pay for their dependent children’s education. Parents with no adverse credit history may borrow for each dependent child who is enrolled in school at least half-time and is making satisfactory academic progress. Federal PLUS Loans are not based on financial need, and parents of all income levels may apply. Parents may borrow an amount equal to the cost of attendance minus any other aid.

Repayment of PLUS Loans begins within 60 days of the final disbursement of funds with a minimum monthly payment of \$50 and a maximum repayment term of 10 years. The interest rate is variable and set every July 1 based on the 90-day T-Bill. The PLUS Loan interest rate is capped at 9%.

Helpful Reminders Regarding Federal Loans

- All loans will be disbursed in two (2) equal disbursements. The first disbursement for new Stafford Loan borrowers will be disbursed after the first 30 days of enrollment.
 - First-time Federal Stafford Loan borrowers **MUST COMPLETE** a Master Promissory Note (MPN) and Stafford Loan Entrance Counseling before their loans will be certified by the Financial Aid Office. Please see the front page for instructions.
 - When the loan proceeds are received by the Financial Aid Office, a credit will be posted to your student account.
 - If a student’s actual financial aid, including outside scholarships, exceeds the aid amount which was expected at the time the loan was processed, any over-award will be refunded to the lender.
 - You must enroll for a minimum of six (6) credit hours each semester at Ferrum College to receive a student loan.
-

Sample Repayment Chart

The chart below can give you a better understanding of what your monthly payment amount could be once you enter repayment. Always borrow responsibly only borrowing what you need. Please note that these are only estimates.

Amount Borrowed	# of Payments	Monthly Payment at 4%	Monthly Payment at 5%	Monthly Payment at 6%	Monthly Payment at 7%
\$2,625	55	\$52.32	\$53.50	\$54.71	\$55.93
\$3,500	65	\$59.98	\$61.58	\$63.20	\$65.84
\$5,500	80	\$78.44	\$80.99	\$83.58	\$87.82
\$10,000	120	\$101.25	\$106.07	\$111.02	\$119.17
\$15,000	120	\$151.87	\$159.10	\$166.53	\$178.76
\$20,000	120	\$202.49	\$212.13	\$222.04	\$238.34
\$46,000	120	\$465.73	\$487.90	\$510.69	\$548.19
\$50,000	120	\$506.23	\$530.33	\$555.10	\$595.86

Ferrum College Loan Request Form

Refer to Award Letter for Loan Amounts.

This section must be completed for timely processing of Sections B & C. Please print neatly.

Section A: Student Information (to be completed by the student). Please print neatly or type.

1. Student Name (Last) _____ (First) _____ (MI) _____	2. Social Security Number _____
3. Permanent Address (Street) _____ (City) _____ (State, Zip) _____	4. Home Telephone Number _____
5. Expected Graduation Date _____	6. Date of Birth _____
7. Campus Phone Number _____	
8. U.S. Citizen? (check one): <input type="checkbox"/> Yes <input type="checkbox"/> If No, list Alien Registration # _____	

Student borrower information. This section must be completed by Stafford Loan applicants. Please print neatly.

Section B: Stafford Loan Request

1. I am applying for (check one):
 2005/2006 Academic Year Fall 2005 Semester Only Spring 2006 Semester Only

2. Requested Loan Amount \$ _____ 3. Loan Type (check one): Subsidized Unsubsidized
(refer to award letter)

4. Lender Name _____ 5. Lender Code _____

6. Borrower Certification
I understand that to obtain a loan through this process I must: 1) electronically sign the Stafford Loan Master Promissory Note (MPN), 2) complete online Entrance Loan Counseling and 3) promptly return the Loan Request Form to the Financial Aid Office. By signing this authorization form, I give consent to Ferrum College to initiate the loan process for the 2005-2006 academic year.

Student's Signature Date

Parent borrower information. This section must be completed by PLUS Loan applicants. Please print neatly.

Section C: Parent Borrower Complete only for Parent Loan Applications (PLUS).

1. I am applying for (check one):
 2005/2006 Academic Year Fall 2005 Semester Only Spring 2006 Semester Only

2. Parent's Name (Last) _____ (First) _____ (MI) _____

3. Parent Social Security Number _____

4. Address (Street) _____ (City) _____ (State, Zip) _____

5. Home Telephone Number _____

6. Requested Loan Amount \$ _____ 7. Work Telephone Number _____
(refer to award letter)

8. Lender Name _____ 9. Lender Code _____

10. Relationship to Student Mother Father Step Parent

11. Parent Borrower's Date of Birth _____

12. U.S. Citizen? (check one): Yes If No, list Alien Registration # _____

13. Signature & Certification
I authorize the Financial Aid Office at Ferrum College to forward my request for the PLUS Loan to the lender indicated above. I understand that I must sign the Master Promissory Note in order to complete the loan process.

Parent's Signature Date

Mail the completed form to:
Financial Aid Office, Ferrum College, P.O. Box 1000, Ferrum, VA 24088
or fax the completed form to (540) 365-4266.
If you have any questions, please call 1-800-868-9797.

Choosing a Lender

Choosing a lender is an important decision for parents and students. The lender you choose will be part of the life of the loan. **If you have previously borrowed a Federal Stafford or PLUS Loan, we encourage you to continue borrowing from your current lender.**

If you are a New Borrower, we encourage you to take advantage of your option to choose a lender. **However, please note that if you leave the lender line blank, Ferrum will choose AMS to be your lender.**

Lender	Code	Orig./Guar. Fee*	Borrower Benefits**
Edamerica 800.337.1009 www.edamerica.net	831453	2% 3%	Stafford <ul style="list-style-type: none"> • Immediate 1% origination fee reduction at disbursement. • 4% rebate of the original principal balance after initial 33 on-time, automated payments with SmartPay. • Total Savings of 5%. PLUS <ul style="list-style-type: none"> • Immediate 1% interest rate reduction at repayment for all borrowers. • Additional 0.25% interest rate reduction when payments are made by automatic debit. • Postpone payments or make interest-only payments for up to 48 months while student is enrolled at least half time. Parent must file an annual forbearance to receive benefit.
AMS 800.637.3060 www.tuitionpay.com	833067	3% 3%	Stafford <ul style="list-style-type: none"> • 3% total credit or cash back on original principal balance - 1.5% at repayment and 1.5% after 12 on-time payments. • No interest on first year of the first Unsubsidized Loan. • 0.5% interest rate reduction after 36 on-time payments on loans disbursed after 7/1/05 and before 6/30/06. PLUS <ul style="list-style-type: none"> • 1% credit of the original principal loan amount after 12 on-time payments. • Additional 1% loan credit following the next 12 on-time payments.
National Education 800.353.3357 www.nationaleducation.com	830628	3%	Stafford & PLUS <ul style="list-style-type: none"> • 1% rebate of origination fee at repayment. • 1% interest rate reduction after first 24 scheduled, on-time payments; increasing to 2% after first 48 scheduled, on-time payments. • 0.25% interest rate reduction when payments are made by automatic debit.
Wachovia Education Finance (Educaid) 800.338.2243 www.educaid.com	830005 new borrowers 802445 prior borrowers	3%	Stafford & PLUS <ul style="list-style-type: none"> • 1% rebate of original principal balance at repayment. • Additional 1% rebate of original principal balance after 12 scheduled, on-time payments. • 1.5% rebate of original principal balance after 24 scheduled, on-time payments. • Total possible savings with Stafford of 4.70%. • Total possible savings with PLUS of 5.03%. • 0.25% interest rate reduction when payments are made by automatic debit.
SunTrust 800.552.3006 www.suntrusteducation.com	819873	3% 3%	Stafford <ul style="list-style-type: none"> • 1% principal reduction at repayment. • 1% principal reduction after 15 automated, on-time payments. • Additional 1% principal reduction after 30 automated, on-time payments. • Stafford borrowers must enroll in auto debit within first 90 days of repayment to receive rebates at 15 and 30 months. PLUS <ul style="list-style-type: none"> • 0.25% interest rate reduction when payments made by automatic debit. • 1% interest rate reduction after 30 months of on-time payments.

*Percentage of origination & guarantee fees deducted directly from the loan proceeds at each disbursement. The origination fee is charged by lenders for processing the loan.

**Benefits listed are subject to change. Please refer to the lender's website for current details pertaining to incentives unique to the lender.