

# WILLIAM D. FORD DIRECT LOAN INSTRUCTIONS



Financial Aid Office

[www.soka.edu](http://www.soka.edu)

(949) 480-4150 • (888) 600-SOKA

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Dear Student,

A college education is one of the most important investments you can make. According to our records you and/or your parents have been offered a student loan. This information is designed to help you understand and secure funding from the William D. Ford Direct Loan program for **Subsidized, Unsubsidized and Parent Loans for Undergraduate Students (PLUS)**.

Your award offer may contain other types of aid as well, to help you meet the costs of attending Soka University of America.

The William D. Ford 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 for least half-time, during the grace period and during deferment periods. For the 2012-2013 academic year the fixed interest rate for this loan is 3.4% for undergraduates with a 0.5% origination fee.
- **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. For the 2012-2013 academic year the fixed interest rate for this loan is 6.8% with a 0.5% origination fee.
- **PLUS:** not based on financial need; helps pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods. For the 2012-2013 academic year the fixed interest rate for this loan is 7.9% with a 2.5% origination fee for all borrowers. **The PLUS process should be completed annually July 1<sup>st</sup> –August 1<sup>st</sup>** to allow enough time for processing. *Note: Direct PLUS Loan borrowers are subject to credit approval.*

**\*Please Note:** The fee and rebate will be applied before you receive any loan money.

Student borrowers are not required to begin making payments until after they withdraw from the university or drop below half-time. Eligible federal student loans can be combined into one Direct Consolidation Loan after graduation.

## Accepting a loan

You should evaluate your aid offer carefully. In the case of loans, keep in mind that whatever amount you borrow must be paid back with interest. You have the right to decline the loan or to request a lower loan amount.

If you choose to accept loans that you have been offered remember that you must still click “accept” online; in our system “Learn” (<http://learn.soka.edu>). If you choose to reduce one of your loans please contact the Financial Aid Office. **You should complete this process by July 1<sup>st</sup>.**

## 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 student or an independent student. The following table shows the maximum amount of money you may borrow each academic year in Direct Subsidized and Unsubsidized Loans:

	Dependent Student <sup>1</sup>	Independent Student <sup>2</sup>
1 <sup>st</sup> -year undergraduate	\$5,500 (maximum \$3,500 subsidized)	\$9,500 (\$3,500 subsidized)
2 <sup>nd</sup> -year undergraduate	\$6,500 (\$4,500 subsidized)	\$10,500 (\$4,500 subsidized)
3 <sup>rd</sup> -5 <sup>th</sup> -year undergraduate	\$7,500 (\$5,500 subsidized)	\$12,500 (\$5,500 subsidized)

<sup>1</sup>Except those whose parents are unable to borrow a Direct PLUS Loan.

<sup>2</sup>These limits also apply to dependent students whose parents are unable to borrow a Direct PLUS Loan.

The actual loan amount you are eligible to receive for an academic year is determined by Soka University of America and may be less than the maximum annual amounts shown in the loan limit chart.

Below are the aggregate limits for Subsidized and Unsubsidized Loans:

- \$31,000 for dependent undergraduate students excluding those whose parents are unable to borrow a Direct PLUS Loan (no more than \$23,000 may be subsidized)
- \$57,500 for independent undergraduate students and dependent undergraduates whose parents are unable to borrow a Direct PLUS Loan (no more than \$23,000 may be subsidized)

## Entrance Counseling

If you haven't previously received a loan, you must complete entrance counseling before Soka University of America can make the first disbursement of your loan. This helps you to understand your responsibilities regarding your loan. Soka University of America requires you to complete this counseling online.

## Entrance Counseling Directions

- Go to [www.studentloans.gov](http://www.studentloans.gov)
- Click on "Sign In" (You will need your U.S. Department of Education-issued PIN)
- Click on "Complete Entrance Counseling".
- Click again on "Complete Entrance Counseling".
- You are now on the "(STEP 1) - "Counseling Type" page.
  - Indicate if you are an undergraduate or graduate student.
  - Click on "Continue".
- You are now on the "(STEP 2) - "Guidelines" page.
  - Read the information provided.
  - Click "Continue".
- You are now on the "(STEP 3) - "School Information" page.
  - For "School State" select "CALIFORNIA".
  - For "School Name" select "SOKA UNIVERSITY OF AMERICA". The DLID (Direct Loan ID: G38144) and school address will populate.
  - Click on "Continue".
- You are now on the "(STEP 4) - "Counseling Session/Quiz" page. *This step should take about 30 minutes to complete.*

- Read the information carefully and answer the questions at the bottom of each page.
- For every answer, a box will appear revealing the correct answer accompanied by the pertinent information. To proceed, click on the “X” located in the top right corner of the pop-up box.
- Navigate through the sixteen sections of the counseling/quiz by continuing to click on “Continue”.
- Once you have reached section sixteen, “Borrower’s Rights and Responsibilities: you must first click on the link that reads “Click here to view the Borrower’s Rights and Responsibilities for Direct Loan Sub/Unsub/Perkins Loan Type”.
  - Then click on “Submit”.
- You have now completed the Entrance Counseling for your Direct Loan. You may print or download your completed Counseling Verification Page to keep a copy for your records.

### **Master Promissory Note**

To take out a Direct Loan for the first time, you must complete a Master Promissory Note (MPN). The MPN will be provided by the U.S. Department of Education. You can complete the MPN online. The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. 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 U.S. Department of Education-issued PIN.

In most cases, once you’ve submitted the MPN and it has been accepted, you won’t have to fill out a new MPN for future loans you receive. Soka University of America allows more than one loan to be made under the same MPN. Therefore, you can borrow additional Direct Loans on a single MPN for up to 10 years.

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

### **Master Promissory Note Directions**

- Go to [www.studentloans.gov](http://www.studentloans.gov)
- Click on “Sign In” (You will need your U.S. Department of Education-issued PIN)
- Complete a Master Promissory Note (MPN). On the left-hand column, under the “Master Promissory Note” heading, click on “Complete MPN”.
- You are now on the “Master Promissory Note (MPN)” page.
  - Click on “Subsidized/Unsubsidized”.
- You are now on the “(STEP 1) – “Personal Information” page.
  - Enter your personal information in all required fields (indicated by an asterisk). Enter optional information if it is available.
  - At the bottom of the page you will be asked to select “School State” and “School Name” again.
  - Click on “Continue”.

- You are now on the “(STEP 2) – “Personal References” page.
  - Enter the information for your two references in all required fields (indicated by an asterisk). *NOTE: your references must have different addresses and telephone numbers from each other and they must have addresses within the U.S.* Enter optional information if it is available.
  - Click on “Continue”.
- You are now on the “(STEP 3) – “Terms and Conditions” page.
  - You must review section C, D, E and G. Please read this information carefully and completely.
  - Once you have done so and agree to the terms, select the box next to “*I have reviewed the information about me on the Master Promissory Note and acknowledge that it is true and correct. I have read, understand, and agree to the borrower Request, Certifications, Authorizations and Understandings, the Promise to Pay, the MPN Terms and Conditions, and the Borrower’s Rights and Responsibilities Statement*”.
  - Click on “Continue”.
- You are now on the “(STEP 4) – “Review and Sign” page.
  - Review all the information.
    - If the information is incorrect, click on “Edit” for the desired section.
  - Once all information is correct, sign your MPN by entering your name in the appropriate fields.
  - Click on “Sign”. Once your signature has been authenticated, you must view your MPN before submitting.
  - When you are ready to submit your MPN, click on “Continue”.
- You have now submitted you MPN for the Direct Subsidized/Unsubsidized Loan.
  - You may view/download the PDF version of your completed MPN to retain a copy for your financial aid records.
    - *If you are an undergraduate student, you are now finished with your loan application. You may log out.*

If you provided an email address during the application process, a confirmation mail will be sent to you. Please retain it for your records. The MPN enables students to borrow Direct Loan funds for up to ten years without completing additional promissory notes. However, you must apply for financial aid each year. **Soka’s financial aid deadline is March 2<sup>nd</sup> each year.**