

WILLIAM D. FORD DIRECT LOAN INSTRUCTIONS



Dear Student,

A college education is one of the most important investments you can make. 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).

LOAN INFORMATION

- A loan period is two semesters, depending upon your anticipated enrollment.
- Direct Subsidized and Unsubsidized loans enter repayment six months after your enrollment status drops below half-time (less than six undergraduate units or four graduate units) or you graduate.
- Direct PLUS Loans may also be eligible for deferment however your parents must contact the Direct Loan Service Center after their loan has been fully disbursed to discuss this possibility.

INTEREST RATES

- Direct Subsidized Loans (2010-2011): 4.5%
- Direct Unsubsidized Loans: 6.8%
- Direct PLUS Loans: 7.9%

FEES

- A 1% loan fee, or borrower origination fee, is subtracted proportionately from each loan disbursement
- Up to 1.00% of a guarantee fee may also be deducted from your loan proceeds and paid to the agency that guarantees your loan.

APPLYING

To apply for a Direct Subsidized, Unsubsidized or PLUS Loan, you must apply and e-sign online.

STEP 1

- Students **must** complete an Entrance Counseling Session online at before applying for your loan. Your student loan will not be processed until you have completed the required online Entrance Counseling Session.
- Go to <https://www.dl.ed.gov/borrower/CounselingSess>

[ions.do?cmd=initializeContext](#) for the online Entrance Counseling Session.

- Review the material and answer the multiple choice questions.
- Make sure to select **Soka University of America** in Step 3 of your exam so that we will be notified that you have successfully completed the entrance counseling session.

STEP 2

- Go to www.studentloan.gov and complete the appropriate Direct Loan Electronic Promissory Note; Subsidized, Unsubsidized or PLUS MPN.
 - You will need the same PIN that you used for your FAFSA to electronically sign the promissory note. If you don't have a PIN, you may obtain one at <http://www.pin.ed.gov>.
- View the electronic loan correspondence such as disclosure statements, rights & responsibilities, and sample repayment amounts and options.

LOAN DISBURSEMENT

- Loan proceeds are disbursed in two payments (fall and spring) during the course of the academic year for which you are borrowing, as required by federal regulations.
- First-time borrowers must receive entrance loan counseling prior to receiving their first disbursement.

First-time borrowers must wait 30 days after classes begin before receiving their first Subsidized or Unsubsidized Loan disbursement (a federal enrollment verification requirement).

If you have any questions, please feel free to contact our office at: financialaid@soka.edu.

Sincerely,

A handwritten signature in black ink that reads "Christopher Brown".

Christopher Brown
Director of Admission and Financial Aid