ALPENA
COMMUNITY COLLEGE

2024-2025 DIRECT LOAN APPLICATION PROCESS

STEP 1. **BEFORE** you apply for a loan, you must:

1) Complete the 2024-2025 FAFSA online at https://studentaid.gov
2) Complete all required financial aid verification items (if any)
3) Meet the Financial Aid Satisfactory Academic Progress (SAP) standards
4) Register for classes in at least 6 credit hours (half-time)
5) **First-time borrowers at ACC** must also go to https://studentaid.gov, log in with your FSA ID, click accept, under "Loans and Grants" select:
   a) *Master Promissory Note*, select MPN for **I'm an Undergraduate Student** start button, complete the information and submit, and
   b) *Loan Entrance Counseling*, select **I am an Undergraduate Student** start button, complete the information and submit.

STEP 2. **SUBMITTING** the loan request:

1) Complete and sign the 2024-2025 Federal Direct Loan Amount Request Form
   a. Note: **It is in the best interest for students to check the Fall & Spring box instead of completing a loan application for one semester at a time.** The new FAFSA Simplification Act only allows us to use the entire Student Aid Index (SAI) instead of a monthly amount as in the past, which may result in students receiving less Subsidized Loans when completing a loan for one semester at a time.
2) Submit it to the ACC Financial Aid Office.

STEP 3. **AFTER** you submit the loan request:

✓ Financial Aid Staff will review your Direct Loan Request Form
✓ The loan certification process may take approximately 2-3 weeks. *Inaccurate or incomplete information on the Direct Loan Amount Request Form may delay loan processing.*
✓ After the loan certification, students will receive an award notification in their ACC e-mail account regarding updated loan award.
✓ Loan refunds are disbursed according to Federal guidelines and the student's preference selected on the Direct Loan Amount Request Form.

Recommended Borrower Resources:

✓ Log on to the Student Aid website to check your loan balance and servicer information on **https://studentaid.gov.** Once you log in, click on the arrow next to your name and click "Aid Summary."

✓ Go to **https://mappingyourfuture.org/paying/debtwizard/index.cfm** to see how much salary you need to support your student loan debt.
   o If you are currently employed and you stay employed with the company making a certain wage, you can use the site to see how much you can afford to borrow in student loans based on your current salary.
      ▪ You may also adjust the amount to minimum wage to see the maximum you should borrow based on minimum wage earnings.

Federal Loan Interest Rates
(July 1, 2024 to June 30, 2025)

Direct Subsidized/Unsubsidized Loans   6.53%

Direct PLUS (Parent)   9.08%

Current Federal Loan Origination Fees**

Direct Subsidized/Unsubsidized Loans   1.057%

Direct PLUS (Parent)   4.228%

**An *origination fee* is a fee charged by a lender (in this case, the federal government) upon entering into a loan agreement to cover the cost of processing the loan. This rate changes in October of each year.

Other or additional options
-Google "Alternative Student Loans" to compare different lenders who offer student loans.

-Check with your bank or credit union on student loan options