



SUMMER 2023 Federal Direct Loan Information

Federal Direct Loans are low-interest, long-term loans, from the U.S. Department of Education created to help pay for education.

This is a loan that must be repaid
Visit: <https://studentaid.gov> for loan details.

Repayment begins six (6) months (grace period) after you cease to be enrolled at least half-time (less than 6 credits), graduate, completely withdraw, transfer, or stop attending classes. Minimum monthly payment is \$50 (or more depending on your total loan indebtedness) and you have up to 10 years to repay the loan.

Loan Charges: These loans are subject to a **loan fee not to exceed 1.057%** of your loan, which will be automatically deducted from each loan disbursement.

Disbursements: First-year freshmen with no prior Federal Loans are required to complete 30 days of their first semester of enrollment before receiving their first loan disbursement.

Federal Direct Loans require at least two (2) separate **disbursements**, one at the beginning of the loan period and the second at least halfway through the loan period. Summer loans will not be disbursed until at least half-time attendance has started.

Interest Rate: 4.99% (effective to 07/01/2022 – 06/30/2023)

The interest rate is variable/fixed. Each year the interest rate will be calculated using the 10-year U.S. Treasury Bill + 2.05% not to exceed 8.25%. The calculated interest rate will then be fixed for the life of the loan.

The Master Promissory Note

All students **must** complete a Master Promissory Note (MPN) at <https://studentaid.gov> confirming to the U.S. Department of Education that you will repay the funds that you borrow.

Required Entrance Counseling

All students **must** complete Entrance Counseling at <https://studentaid.gov>. The Counseling will give you the tools to be a responsible loan borrower.

There are two types of Federal Direct Loans:

SUBSIDIZED: This loan is awarded to students who **demonstrate financial need. Interest is paid by the federal government while you are enrolled at least half-time (6 or more credits).**

UNSUBSIDIZED: This loan is typically awarded to students who do not demonstrate financial need or it may be used to supplement a Subsidized Loan. **You are responsible for interest that accrues on the Unsubsidized loan**, which starts after the loan is disbursed.



SUMMER 2023: Federal Direct Loan Request Form

Deadline for Summer Session 1: June 16, 2023

Deadline for Summer Session 2: July 21, 2023

Name (Last, First, M.I.):

UH ID/Username:

I am requesting a: Federal Direct **Subsidized** Loan

Federal Direct **Unsubsidized** Loan

(check all that apply)

Requested Loan Amount (see annual loan limits chart):

Your Summer 2023 loan will **NOT** be processed until you have completed the following steps:

- 1) Complete & submit the **Summer 2023 Financial Aid Request Form**
- 2) Completed & submit the **Summer 2023 Federal Direct Loan Request Form**
- 3) Completed the 2022-2023 Free Application for Federal Student Aid (FAFSA) and submit all required forms.
- 4) Completed the **Master Promissory Note** and **Loan Entrance Counseling** online at <https://studentaid.gov>.

I understand all of the following:

✓ **THIS IS A LOAN THAT MUST BE REPAID**

✓ I must be **enrolled at least half-time (6 credits)** and be meeting KCC's Financial Aid Satisfactory Academic Progress (SAP) policy. A **loan fee**, not to exceed **1.057%** of the loan, will be automatically deducted from each loan disbursement. Interest is **4.99%** (variable/fixed). Interest will change for loans first disbursed starting 07/01/2023.

✓ **Repayment** begins six months after I cease to be enrolled at least half-time (less than 6 credits), graduate, completely withdraw, transfer, or stop attending classes.

✓ The obligations and terms of borrowing from the Federal Direct Loan Program

✓ **First-year freshmen** with no prior Federal Direct Loan are required to complete 30 days of their first semester of enrollment before receiving their first loan disbursement.

✓ **Disbursements:** There are at least two (2) separate **disbursements**, one at the beginning of the loan period and the second at least halfway through the loan period.

✓ **I must inform KCC Financial Aid section** once I cease to be enrolled at least half-time, graduate, completely withdraw, transfer, or stop attending classes and must complete Exit counseling to go over repayment obligations.

Student Signature:

Date:

Digital & electronic signatures are not accepted on this form.

* You may email this form to kapfao@hawaii.edu from your hawaii.edu student email address and we can accept it in lieu of your wet signature.

4303 Diamond Head Road `Ilima 102
 Honolulu, Hawai'i 96816-4421
 Telephone: (808) 734-9537
 Facsimile: (808) 734-9896
 Email: kapfao@hawaii.edu

Website: www.kapiolani.hawaii.edu

An Equal Opportunity/Affirmative Action Institution