



# Federal Stafford Loan Application PROCESS

Academic Year 2006 - 2007

Your notification of financial aid eligibility includes a Federal Stafford Loan to help you meet your financial obligation at Colorado College. Because of federal regulations, the Federal Stafford Loan application process requires that you complete a Master Promissory Note (MPN). It will serve as the promissory note for all of your Federal Stafford Loans while you are attending Colorado College when you borrow from the same lender. In future academic years, you will be able to accept the loan

amount on your award and your loan process can be originated without completing another promissory note. Your MPN will include information about your Rights and Responsibilities, but if you have further questions, contact our office. At the time the Disclosure Statement for your loan is sent to you, you will have the opportunity to request a different loan amount, correct information you have provided or cancel the loan.

## ► Our Preferred Lender



College Board

1-888-2SALLIE

Colorado College is proud to partner with the College Board to help you meet your college financing needs. The College Board is a trusted not-for-profit membership organization committed to excellence and equity in education. Proceeds from their loans are reinvested in education programs that align with this mission.

## ► Complete the Master Promissory Note (MPN)

The CC Financial Aid Office will transmit a request to Sallie Mae to set up a personalized application for you on the internet and Sallie Mae will send you a Master Promissory Note (MPN). Instructions will be included to help you complete the MPN and to tell you where to send the MPN when you have completed it (The MPN is sent to the address in the instructions, *not* to Colorado College). You will also be sent information about signing your MPN electronically.

## ► Complete the Entrance Counseling for the Federal Stafford Loan

All students borrowing for the first time at Colorado College are required to complete an Entrance Counseling session before the first disbursement of the loan can be credited to the student account. This federal requirement will help a student understand their rights and responsibilities as a borrower. At our website [www.ColoradoCollege.edu/FinancialAid/](http://www.ColoradoCollege.edu/FinancialAid/) go to Loan Counseling and click the link to Entrance Counseling Session for Federal Stafford Loans. When the session is successfully completed, results are transmitted to Colorado College to complete the requirement.

If for any reason, you are not able to complete this process online, contact the Financial Aid Office for assistance.

## ► Tips For Managing Your Loans

Once you have a student loan and are in school and attending classes, you'll have many new responsibilities. Organization is critical to successful student loan management.

- Keep a file specifically for your education loan information.
- Retain copies of all your loan documents, related correspondence and records of any payments you might make.
- Include your loan account number in all correspondence to your lender and on all payment checks.
- Keep notes of your loan-related phone conversations and keep them in your file, too.
- Open and read all mail about your education loans. It is quite possible that your loans will be sold to a secondary market like Sallie Mae, and you'll need to stay up-to-date on any changes in the administration of your loans.

## ► Repayment Options Make Monthly Loan Payments Affordable

Sallie Mae offers the most flexible repayment options nationally available:

- **Standard Repayment Account**—pay all principal and interest due each month—your lowest cost option.
- **Graduated Repayment Accounts**—provide reduced payments for specified periods followed by standard payments of principal and interest.
- **Flex Repay<sup>SM</sup> Account**—provides reduced payments for up to the first 9 years of repayment for qualified borrowers.
- **Income Sensitive Repayment Account**—lets you choose a payment that is based on a percentage of your income.
- **Extended Repayment Account**—available to certain high-indebted borrowers.
- **SMART LOAN<sup>®</sup> Consolidation Account**—combines eligible loans into one new loan with lower monthly payments and an extended repayment term.

## Borrower Benefit Programs—Look For Ways To Save

Although Federal Stafford and PLUS loans are basically the same, lenders may offer repayment options and borrower benefit programs that can lower total loan costs for borrowers. Lenders who work with Sallie Mae, the nation's largest holder and servicer of student loans, offer the following benefit programs:

**3.3% Sallie Mae Cash Back<sup>®</sup> Program** - Provides borrowers a loan credit or cash back that is based on 3.3% of the original Stafford loan amount. To qualify, prior to entering repayment, borrowers must make their initial 33 payments on time; sign up for Manage Your Loans<sup>SM</sup>, Sallie Mae's on-line account management tool; and agree to receive their Sallie Mae education account information at a valid e-mail address. This is available on Stafford loans first disbursed July 1, 2006 through June 30, 2007 through College Board, a participating Sallie Mae lender, that are owned and serviced by Sallie Mae throughout repayment. **College Board will pay the origination fee on the borrower's behalf for academic year 2006-2007.**

**Direct Repay<sup>SM</sup> PLUS** - PLUS borrowers receive a 0.25 percentage point interest rate reduction when your monthly PLUS loan payments are automatically withdrawn from your bank account. The Direct Repay benefit, available during active periods of repayment, is available on PLUS loans first disbursed through June 30, 2007 that are owned and serviced by Sallie Mae or owned by Sallie Mae and serviced by a participating servicer. Borrowers who authorize automatic debit will have student loan payments withdrawn from their bank accounts each month even if advance payments are made.



*Terms and conditions apply. Sallie Mae reserves the right to modify, continue or discontinue borrower benefit programs at any time.*

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### FINANCIAL AID OFFICE

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