

**MONEY MONDAY: 4<sup>TH</sup> SERIES**

All About Loans

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**WELCOME**

# All About Loans

This is the fourth of a six-series event. Please join us for future webinar event topics such as Credit Café and Investing and ID Theft.

**Sign up on OwlNet > All About Me Tab or @HarfordFinAid on Facebook**

**1-2 PM | Online**

# Agenda

- Important Loan Deadlines
- Loan Definitions
- Types of Federal Direct Loans
- How to Apply for Direct Student Loans & Parent PLUS Loans at HCC
- Default & Repercussions of Not Repaying Loans
- Federal vs. Private Loans
- How to Apply for HCC Scholarships
- Helpful Resources
- Advice from Student Loan Borrowers
- Question & Answer Session

# Important Loan Deadlines

- **NOV 15, 2020:** Priority processing deadline for Spring 2021 loans
- **DEC 1, 2020:** Final deadline for Fall 2020 loans
- **APR 15, 2021:** Priority processing deadline for Summer 2021 loans
- **MAY 1, 2021:** Final deadline for Spring 2021 loans
- **JUNE 15, 2021:** Priority processing deadline for Fall 2021 loans
- **JULY 1, 2021:** Final deadline for Summer 2021 loans

Reapply annually at [studentaid.gov](https://studentaid.gov)  
starting OCT 1.



# Loan Definitions

- **Federal Student Loan:** Federal funds made available to the student that must be paid back by the student. Students must complete required Entrance Counseling and a Master Promissory Note (MPN) to receive these loans.
- **Federal Direct Subsidized Student Loan:** Undergraduate students with financial need can qualify for a subsidized loan. The government pays the interest on the loan while the student is enrolled at least half time (6 credits).
- **Federal Direct Unsubsidized Student Loan:** Undergraduate students, regardless of their financial need, qualify for an unsubsidized loan, provided they have filed a FAFSA. Interest accrual begins immediately, and the student can choose to pay the interest while enrolled or upon entering repayment.

- **Federal Direct Parent PLUS Loan (PLUS):** Loan funds provided to the parents of dependent undergraduate students by the U.S. Department of Education. This allows parents with no adverse credit history to apply for a loan amount up to the Cost of Attendance each year, minus any financial aid received by the student. Repayment of principal and interest generally begins immediately once the loan is fully disbursed.
- **Private Loan:** A student or parent loan from an outside lender used to pay up to the annual Cost of Attendance, minus any financial aid received. Private loans have varying interest rates, fees and repayment options and require the applicant to be creditworthy, or have a creditworthy cosigner. Repayment generally begins immediately.
- **Interest Rate:** The amount charged to borrow the loan, calculated as a percentage of the current principal. 20-21 interest rates for Federal Direct student loans are 2.75% and 5.30% for Parent PLUS loans.
- **Master Promissory Note:** A legally binding contract between the borrower and the federal government under which you agree to repay the loans plus interest/fees. MPN is good for 10 years and is completed on <https://studentaid.gov>.

# Types of Federal Direct Loans

## Student Loans

- Loan made by federal government
- Borrowed by the student
- FAFSA required to apply
- No credit check/co-signer required
- Lower fixed interest rate:  
2.75% for 20-21
- If qualified, offers subsidized portion
- Can borrow within annual loan limits based on dependency status/earned credits
- Option of deferment/forbearance
- Not required to pay on loan while in school at least half time, but recommended to pay while in school



# Types of Federal Direct Loans

## Parent PLUS Loans

- Loan made by federal government
- Borrowed by the parent of dependent student
- FAFSA required to apply
- Parent credit check is required
- Co-signer may be required if parent is denied based on adverse credit history
- If parent denied, student has additional unsubsidized loan eligibility
- Higher fixed interest rate: 5.30% for 20-21
- Can borrow up to Cost of Attendance
- First payment due within 60 days of full disbursement, but can defer repayment if student is enrolled half time

# Subsidized/Unsubsidized Loans/Annual Limits

- **Subsidized Loans:** need-based, government pays the interest on the loan while you're enrolled at least half time (6 credits)
- **Unsubsidized Loans:** non need-based, interest accrues as soon as loan is disbursed

FEDERAL DIRECT LOAN BORROWING LIMITS		
Credits Earned	Dependent Students	Independent Students
Students with 0-30 earned credit hours	Subsidized \$3,500	Subsidized \$3,500
	Unsubsidized \$2,000	Unsubsidized \$6,000
	<b>TOTAL: \$5,500</b>	<b>TOTAL: \$9,500</b>
Students with 31 earned credit hours or more	Subsidized \$4,500	Subsidized \$4,500
	Unsubsidized \$2,000	Unsubsidized \$6,000
	<b>TOTAL: \$6,500</b>	<b>TOTAL: \$10,500</b>

FEDERAL LIFETIME LOAN LIMITS		
Independent/Dependent	Subsidized Maximum	Total Aggregate Maximum (Sub and Unsub)
Dependent Undergraduates	\$23,000	\$31,000
Independent Undergraduates	\$23,000	\$57,500

# How to Apply for Direct Student Loans at HCC

1. Complete FAFSA Application
2. Complete Electronic Consent form (E-Consent)
3. Complete Master Promissory Note (MPN) on <https://studentaid.gov>
4. Complete Entrance Counseling on <https://studentaid.gov>
5. Declare a Major and Register for at Least 6 Credits
6. Submit HCC Direct Loan Borrower Request Form to Financial Aid Office at [finaid@harford.edu](mailto:finaid@harford.edu)



- Loan Processing Times are typically about 2-4 weeks from when the loan request form is submitted. Submitting a loan request form does NOT hold your classes. The loan must be awarded prior to the payment due date to hold your classes. You will receive a disbursement memo to your HCC email once awarded.
- Apply EARLY and before the priority processing deadline to avoid classes being dropped for nonpayment if you have no other aid. Students who apply late will most likely need a payment plan to hold classes while the loan is processed.

**To Guarantee Loan is Processed by Semester Payment Due Dates Submit Loan Request by:**

\* Fall Deadline: June 15, 2020 \*Spring Deadline: Nov. 15, 2020 \*Summer Deadline: April 15, 2021

**FINAL DEADLINES for all loans and increases**

FALL ONLY: Dec. 1    SPRING ONLY: May 1    SUMMER ONLY: July 1

2020-2021 Federal Direct Loan Request Form

**First Time Borrower**
 **Repeat Borrower**

Submit completed form from your HCC email to [finaid@harford.edu](mailto:finaid@harford.edu)

PLEASE ANSWER ALL QUESTIONS

1. When do you expect to transfer or graduate from HCC? \_\_\_\_\_ Month/Year (Ex: May 2022)
2. First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_ Harford ID: H \_\_\_\_\_
3. Cell Phone #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_
4. **LOAN REQUEST AMOUNT** (Refer to **next page** for Federal loan limits): \$ \_\_\_\_\_  
IF LEFT BLANK, LOAN WILL BE PROCESSED FOR MAXIMUM LOAN ELIGIBILITY

The Financial Aid Office will certify your Subsidized Stafford Loan eligibility (if any) prior to your Unsubsidized Stafford Loan Eligibility. If you do **NOT** want an Unsubsidized Stafford Loan, please check this box.   
**Please note you may only qualify for an Unsubsidized Loan.**

5. **The amount you requested above will be split evenly between Fall and Spring semesters.** If you want a one semester loan, please indicate that below. For Example: If you request \$5,500 you will receive \$2,750/Fall and \$2,750/Spring (minus loan fees). You will receive a disbursement memo via HCC email once your loan has been awarded, stating disbursement dates for the entire school year.

Loan Period (CHECK ONLY ONE):

Fall and Spring Loan 2020/2021 (Default)

Fall 2020 ONLY Loan   
  Spring 2021 ONLY Loan   
  Summer 2021 ONLY loan

- There are NO WINTER only loans - you must include winter loan in FALL disbursement.
- Summer loans can be requested once summer registration begins in April.
- Loan Deadline Dates are stated at the top of this request form.
- Loan increase forms are available [online](#) or in the Financial Aid office.

6. In order to receive a loan, you must complete a Master Promissory Note (MPN) and complete online Loan Entrance Counseling. If you are a repeat borrower and have borrowed within past 10 years you do not need to complete MPN or Entrance Counseling.
  - Complete the Master Promissory Note online at <https://studentaid.gov>.
  - To complete the counseling online at <https://studentaid.gov>, you will need to log in with your FSA ID, hover over "Complete Aid Process," and click "Complete Entrance Counseling." Complete and read all screens. You will receive a confirmation screen once you have successfully completed the entrance counseling.
  - We are unable to award your loan until you complete these federal requirements.

Scanned by \_\_\_\_\_ Date: \_\_\_\_\_

**Loan Request Forms can be found on OwlNet or on the HCC Financial Aid page at**  
<https://www.harford.edu/student-services/financial-aid/types-of-aid-available/loans.aspx>

# How to Apply for Parent PLUS Loans at HCC

1. Complete FAFSA Application with Student
2. Complete loan request with Department of Education at **studentaid.gov**:  
The **parent** should sign-in using the **FSA ID** created by the parent.  
Then select Apply for Aid, then Apply for a Parent PLUS loan.
3. Complete Credit Check: If parent is denied, other options will be offered and the parent will need to complete the PLUS Counseling Module.
4. Complete Electronic Consent form (E-consent)
5. Complete Master Promissory Note (MPN) at **studentaid.gov**.  
Select Parent PLUS loan from list of MPNs.
6. If PLUS loan is approved, complete HCC's Direct Parent PLUS Request Form and submit it to the Financial Aid Office. The PLUS Request Form can be found at <https://www.harford.edu/student-services/financial-aid/types-of-aid-available/loans.aspx>



# Repercussions of NOT Repaying Your Loan

- Wage garnishment
- Become ineligible for deferment, forbearance, and repayment plans = balance may be due immediately
- Become ineligible for financial aid
- Can become ineligible for federal, state, and local government jobs
- Tax refunds and lottery winnings can be revoked
- Social Security Benefit garnishment
- You CANNOT put a defaulted loan into bankruptcy in most cases

- Can tank your credit - Can stay on credit report for over 7 years
  - Loan is delinquent the 1st day you miss payment, continues until payments are current
  - Loan servicer reports you to the 3 credit bureaus after 90 days of delinquency
  - After 270 days of delinquency, you are now in **DEFAULT**
  - Credit score will be severely impacted
  - 30-40% collection fees added on top of any interest and principal balance left plus any late fees, court costs, and attorney fees

- Getting Out of Default:
  - Pay the Loan in Full
  - Loan Rehabilitation: agree in writing to 9 payments within 10 consecutive months
  - Loan Consolidation: pay off the loans by rolling previous loans into one new loan

# Federal Loans vs. Private Loans

## FEDERAL

- Loan made by federal government
- FAFSA required to apply
- No credit check/co-signer required
- Lower fixed interest rates
- If qualified, offers subsidized portion
- Option of deferment/forbearance
- Not required to pay on loan while in school at least half time
- Many repayment plan options, some that are income based



# Federal Loans vs. Private Loans

## PRIVATE

- Loan made by private bank or lender of your choice
- No FAFSA required
- Credit check required
- Co-signer may be required
- Higher interest rates, may not be fixed interest rate
- No subsidized portion, so more interest accumulates for you to pay
- Often no option for deferment or forbearance, depending on lender
- Many private lenders require payment while in school, but some may not
- Not nearly as many options for repayment plans

# Scholarship Instructions

- Go to <https://www.harford.edu/student-services/financial-aid/types-of-aid-available/scholarships.aspx>
- At the bottom right-hand corner of the page, you'll find links to view scholarship opportunities, view scholarship instructions, and apply for scholarships.
- **DEC 20, 2020** - Scholarship deadline for Spring

2020 - 2021

- [View Scholarships](#)
- [Scholarship Instructions \(PDF\)](#)
- [Apply for Scholarships](#)

# Applying For Scholarships at Harford

## APPLICATION CHECKLIST:

- FAFSA for year you are applying
- Transcript: High school or college transfer students
- Narrative/Essay
- Letters of recommendation



### 2020-2021 Harford Community College Scholarship Instructions

#### SCHOLARSHIP DEADLINES

Fall 2020 Semester: May 15, 2020 unless otherwise indicated.  
Spring 2021 Semester: December 18, 2020 unless otherwise indicated.

ALL HCC scholarship applications must be submitted on-line at:  
<http://owlnet.harford.edu/>

**READ THE SCHOLARSHIP REQUIREMENTS CAREFULLY.** Some scholarships require a separate application, additional narratives, letters of recommendation and/or a personal interview.

#### APPLICATION SUBMISSION CHECKLIST:

- 2020-2021 FAFSA** results must be on file in the Financial Aid Office for greater scholarship eligibility.
- TRANSCRIPT** (graduating high school seniors or college transfer students): Current HCC students do not need to submit a transcript. **Please note:** 2020 high school graduates do not need to provide a final transcript by the scholarship deadline but are encouraged to submit a final transcript upon graduation. OFFICIAL transcripts from ALL previous colleges attended should be submitted to HCC.
- NARRATIVE / ESSAY:**  
Type a brief narrative/essay through the on-line application. Be sure to:
  1. Describe academic & professional goals and financial need,
  2. State how Scholarships/Grants will help you attain your goals,
  3. List recent volunteer/community service activities,
  4. Include your name and Harford ID#.
- Submit all other materials specifically required for any scholarship/grants for which you are applying with this application (i.e., **letters of recommendation**, additional narrative(s), etc.) as requested during the application process. Failure to do so may eliminate you from consideration for a scholarship.

Academic dishonesty, which includes cheating, fabrication, facilitating academic dishonesty, plagiarism and copyright infringement, is a violation of Harford Community College's Code for Student Rights, Responsibilities and Conduct. Students who commit an act of academic dishonesty while applying for a scholarship, including HCC scholarships, HCC Foundation scholarships, or private scholarships, may have their application invalidated and/or may be subject to disciplinary action.

#### STEPS TO ACCESS THE ON-LINE SCHOLARSHIP APPLICATION:

Login to your OwlNet account at: <http://owlnet.harford.edu>

Select the "All About Me" tab

Select the "Apply for Scholarships" link under Quick Links. You will be linked to our AwardSpring on-line application. By completing one on-line application, you will be considered for all scholarships for which you are eligible. Follow the processes for submission. (Have your narrative/essay ready to copy + paste)

# Steps To Access Online Scholarship Application

- Log in to your OwlNet account at <http://owlnet/Harford.edu>
- Select the "All About Me" tab
- Look on the right side of the page under Scholarships and select "Apply for Scholarships"

## Financial Aid

- Apply here for FSA ID
- Fill out your FAFSA

## Money Mondays

### *Focus on Financial Aid*

1. The FAFSA and Scholarships, 9/21
2. Maryland State Aid, 9/28
3. Budgeting and Saving, 10/5
4. All About Loans, 10/12
5. Credit Cafe, 10/19
6. Investing and ID Theft, 10/26

Download Money Mondays Flyer

## Scholarships

- Apply for Scholarships
- MD State Scholarships
  - ▶ *more...*



[harford.awardspring.com](http://harford.awardspring.com)



 Scholarships

STUDENTS - PLEASE CLICK THE YELLOW BOX and sign in with your HCC email address.

Sign In with Your School Account



# Helpful Resources

- **FAFSA** Free Application Federal Student Aid [studentaid.gov](http://studentaid.gov)
- **Harford Community College Financial Aid** [harford.edu/financialaid](http://harford.edu/financialaid)
- **HCC Financial Aid Forms** <http://www.harford.edu/student-services/financial-aid/financial-aid-forms.aspx>
- For more information about all aspects of financial aid, as well as a series of short videos (**FATV**-Financial Aid TV), visit [harford.edu/financialaid](http://harford.edu/financialaid) or [www.harford.financialaidtv.com](http://www.harford.financialaidtv.com). These resources can be useful in explaining financial aid in understandable terms.
- Follow the Financial Aid Office on Facebook for scholarship information and general announcements @HarfordFinAid.
- Apply for Harford Community Scholarships at [harford.awardspring.com](http://harford.awardspring.com).
- **Federal Student Aid Loan Simulator Tool** <https://www.youtube.com/watch?v=k81nkuwUwEM> and to use the tool go to <https://studentaid.gov/loan-simulator/>

# HCC Financial Aid Resources

<https://www.harford.edu/student-services/financial-aid/financial-aid-resources.aspx>

**MAIN MENU** +

STUDENT SUPPORT | [BACK](#)

- [Financial Aid](#)
- [Don't Delay, Do Your FAFSA Today!](#)
- [College Promise Scholarship](#)
- Financial Aid Resources**
- [Workforce Development Scholarships](#)
- [Financial Aid Process](#)
- [Financial Aid Forms](#)
- [Managing Your Money While in College](#)
- [Satisfactory Academic Progress](#)
- [Types of Aid Available](#)

**FINANCIAL AID RESOURCES**

- [Federal Financial Aid](#)
- [Maryland Higher Education Commission \(MHEC\)](#)
- [The Smart Guide™ to Financial Aid](#)
- [Federal Direct Loan Program](#)
- [FATV-Financial Aid TV](#)
- [Financial aid terms](#)
- [Financial aid tips on...](#)
  - [Twitter](#)
  - [Facebook](#)
- [Keep personal info safe](#)

**COLLEGE PAYMENT PLANS**

- [Payment Plan](#)
- [Payment Plan Tutorial](#)

**RESOURCES FOR MANAGING MONEY**

- [Cash Course](#)
- [Cash Campaign of MD](#)
- [Money Mondays](#)

**FAFSA RESOURCES**

- [Free Application for Federal Student Aid \(FAFSA\)](#)
- [Federal Student Aid ID \(FSA ID\)](#)
- [FAFSA® Worksheet](#)
- [IRS Data Retrieval Tool Instructions](#)

**SCHOLARSHIP RESOURCES**

- [Apply for Harford scholarships](#)
- [How To Write a Scholarship Essay](#)
- [Central Scholarship Bureau](#)
- [Fastweb Scholarship Search](#)

**LOAN RESOURCES**







- [Student loan benefits and differences](#)
  - [Federal Loans vs. Private Loans](#)
  - [Federal Loan Basics](#)
- [Student loan responsibilities](#)
- [Direct PLUS Loan](#)

# Financial Aid Answers 24/7

HARFORD COMMUNITY COLLEGE Financial Aid Homepage [Browse Categories](#)

## 101 Answers for ✕ LOANS

SEARCH:  SORT: Recommended VIEW: Videos

Video Title	Playlists
 What are the steps to Appeal Maximum Time Frame?	Playlists: Satisfactory Academic Progress (SAP) Requirements
 What if my Expenses Exceed my Income?	Playlists: Budgeting, Saving Money
 What is a Financial Aid Overaward?	Playlists: Understanding your Financial Aid Offer
 FAFSA®: Creating an FSA ID	Playlists: 2020-2021 FAFSA®: Tutorial,
 What is Identity Theft?	Playlists: Identity Theft
 Financial Aid Information for Parents	

### Browse by Category

**Video Playlists For...**

Future Students	69
Current Students	84
Parents	75

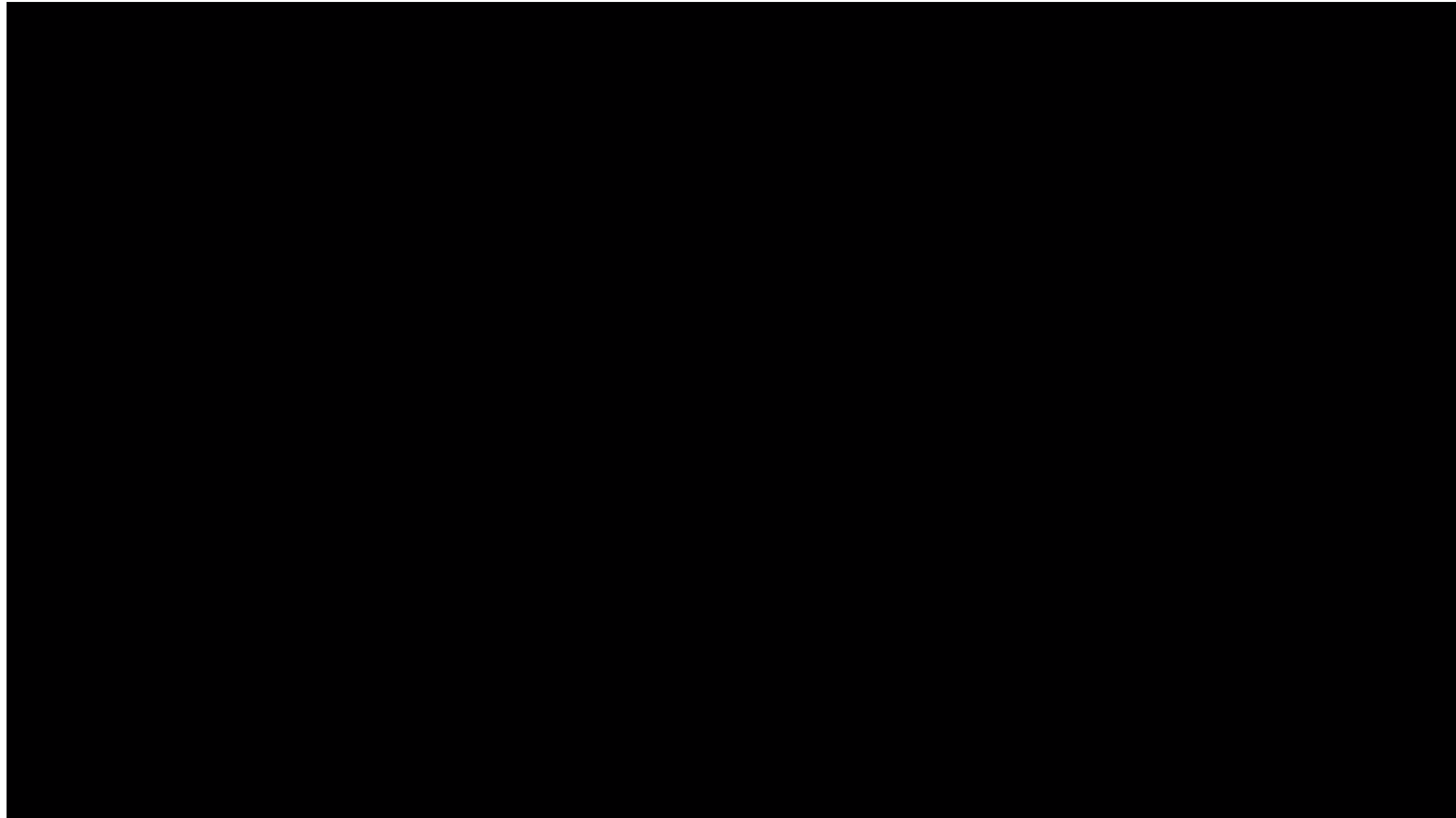
**Financial Aid Process**

Getting Started	9
Applying	5
Tutorials	4
Eligibility	5
Verification	1
Awards	21





# Advice from Student Loan Borrowers



# Questions?

## FINANCIAL AID CONTACT INFO

**Email:** [finaid@harford.edu](mailto:finaid@harford.edu)

**Online chat:** OwlNet > All About Me tab **or**  
[harford.edu/student-services/financial-aid](http://harford.edu/student-services/financial-aid)

**Fax:** 443.412.2169

**Facebook:** @HarfordFinAid

# Upcoming Webinars

- **Credit Café - OCT 19**  
Learn to invest and watch you money grow.
- **Investing & ID Theft**  
Avoid ID theft by following helpful advice.