



Stafford Loan Information and Application

Financial Aid Office
1480 Nashville Pike
Wood Campus Center Room 116
Gallatin, TN 37066
(615) 230-3456

Dear Prospective Student Loan Borrower:

This letter is to assist you with understanding the Federal Stafford Loan Program and serves as the Volunteer State Community College loan request form for the **2009-2010** academic years. Please read carefully the terms of the Stafford loan programs listed below. If you wish to apply for a Stafford loan **you must complete** the attached "Stafford Loan Request" form, electronically sign your Master Promissory Note (MPN) and complete the entrance interview which is part of the E-Signature process. The Stafford Loan Request form should be returned to the **VSCC Financial Aid Office**. Your loan request information will be electronically transmitted to the Tennessee Student Assistance Corporation (TSAC) for guarantee.

Types of Stafford Loans:

- ❖ **Subsidized Stafford Loans** – Loans on which the government pays the interest while you are in school at least half time and during the 6 months grace period that follows graduation or dropping below half-time status.
- ❖ **Unsubsidized Stafford Loans** – The borrower is responsible for paying the interest on an unsubsidized loan while in school, during the 6 months grace period, during deferment periods and during repayment. You have the option of postponing interest payments while in school. However, be advised that the interest continues to accrue and any unpaid interest will be capitalized (added to the principal of loan) as you enter repayment.

Eligibility

- ❖ Students must be enrolled in a minimum of 6 hours.
- ❖ Before your loan will be processed the following steps must be completed in this order:
 1. Complete the Entrance Interview and Electronically Sign your Master Promissory Note by accessing our website at www.volstate.edu/financialaid/loans and click on Electronically Sign Promissory Note.
 2. Complete and Return the Loan Request Form to the Financial Aid Office.

Loan Limits –

- ❖ The Stafford Loan maximum annual borrowing limits are:

Freshman (0-29 collegiate hours) \$3500 for the year (\$1750-fall/\$1750-spring)
Sophomore (30 + collegiate hours) \$4500 for the year (\$2250-fall/\$2250-spring)

The annual maximum applies to the amount you borrow for the academic year (Fall, Spring and Summer Semester). As policy, we allow freshman to borrow a maximum of \$7000.00(3500/2 years) and sophomore an additional \$9000(4500/2 years). This represents a maximum borrowing limit of \$16,000. If you transfer in loans from other schools, they will be considered in the \$16,000 limit and you will not be allowed to borrow in excess of the \$16,000 limit.

Loan Fees

- ❖ Some lenders will deduct an origination fee from your loan amount prior to disbursement.

Loan Disbursement

- ❖ After your fees have been deducted if you have remaining funds you will receive one check each semester of which you will be notified of the place and time you will receive your disbursement.

Estimated Loan Repayment Chart (10Yr Term)

Interest Rates	3%	4%	5%	6.8%	7%	8.25%
Total Loan Amount	Monthly Payment	Monthly Payment	Monthly Payment	Monthly Payment	Monthly Payment	Monthly Payment
\$1,000	\$50	\$50	\$50	\$50	\$50	\$50
\$1,500	\$50	\$50	\$50	\$50	\$50	\$50
\$2,000	\$50	\$50	\$50	\$50	\$50	\$50
\$2,625	\$50	\$50	\$50	\$50	\$50	\$50
\$3,000	\$50	\$50	\$50	\$50	\$50	\$50
\$3,500	\$50	\$50	\$50	\$50	\$50	\$50
\$4,000	\$50	\$50	\$50	\$50	\$50	\$50
\$4,500	\$50	\$50	\$50	\$51.79	\$52.25	\$55.19
\$5,000	\$50	\$50.62	\$53.03	\$57.54	\$58.05	\$61.33
\$5,500	\$53.11	\$55.68	\$58.34	\$63.29	\$63.86	\$67.46
\$6,000	\$57.94	\$60.75	\$63.64	\$69.05	\$69.67	\$73.59
\$7,000	\$67.59	\$70.87	\$74.25	\$80.56	\$81.28	\$85.86
\$8,000	\$77.25	\$81.00	\$84.85	\$92.06	\$92.89	\$98.12
\$8,500	\$82.08	\$86.06	\$90.16	\$97.82	\$98.69	\$104.25
\$9,000	\$86.90	\$91.12	\$95.46	\$103.57	\$104.50	\$110.39
\$10,000	\$96.56	\$101.25	\$106.07	\$115.08	\$116.11	\$122.65
\$11,000	\$106.22	\$111.37	\$116.67	\$126.59	\$127.72	\$126.59
\$12,000	\$115.87	\$121.49	\$127.28	\$138.10	\$139.33	\$147.18
\$13,000	\$125.53	\$131.62	\$137.89	\$149.65	\$150.94	\$159.45
\$14,000	\$135.19	\$141.74	\$148.49	\$161.11	\$162.55	\$171.71
\$15,000	\$144.84	\$151.87	\$159.10	\$172.62	\$174.16	\$183.98
\$16,000	\$154.50	\$161.99	\$169.70	\$184.13	\$185.77	\$196.24

This chart provides only estimated payments and assumes that the interest rate stays the same each year. Under Federal regulations, the interest rates for the FFEL programs are subject to change once a year.

Estimated Monthly Interest Chart for Unsubsidized Loans

Loan Amount	5%	6%	6.8%	7%	8.25%
\$ 500	\$2.08	\$2.50	\$2.83	\$2.92	\$3.44
\$ 1,000	\$4.17	\$5.00	\$5.67	\$5.83	\$6.88
\$ 2,000	\$8.33	\$10.00	\$11.33	\$11.67	\$13.75
\$ 3,000	\$12.50	\$15.00	\$17.00	\$17.50	\$20.63
\$ 3,500	\$14.58	\$17.50	\$19.83	\$20.42	\$24.06
\$ 4,000	\$16.67	\$20.00	\$22.67	\$23.33	\$27.50
\$ 4,500	\$18.75	\$22.50	\$25.50	\$26.25	\$30.94
\$ 5,000	\$20.83	\$25.00	\$28.33	\$29.17	\$34.38
\$ 6,000	\$25.00	\$30.00	\$34.00	\$35.00	\$41.25
\$ 7,000	\$29.17	\$35.00	\$39.67	\$40.83	\$48.13
\$ 8,000	\$33.33	\$40.00	\$45.33	\$46.67	\$55.00
\$ 9,000	\$37.50	\$45.00	\$51.00	\$52.50	\$61.88
\$ 10,000	\$41.67	\$50.00	\$56.67	\$58.33	\$68.75
\$ 15,000	\$62.50	\$75.00	\$85.00	\$87.50	\$103.13
16,000	\$66.67	\$80.00	\$90.67	\$93.33	\$110.00

This chart provides the estimated monthly interest payments for unsubsidized loans. You may elect to pay this interest on a quarterly basis or let the interest capitalize which is added to the loan principal.



Stafford Loan Request Form
2009-2010

VSCC encourages students to borrow conservatively and remember all loan funds must be REPAYED. Before your loan will be processed the results from your FAFSA MUST be in our office and all of the following must be completed.

- You must electronically sign your Master Promissory Note (MPN) and complete the entrance interview by accessing our website at www.volstate.edu/financialaid/loans and click on Electronically Sign Promissory Note.
Sign and complete this form and return to the Financial Aid Office, Volunteer State Community College, 1480 Nashville Pike, Gallatin, TN 37066 or fax it to (615) 230-3487.

STUDENT INFORMATION (Please print)

Vol State ID #: V _____

Name: _____ Social Security Number _____

Date of Birth: _____ Driver's License #: _____

Address: _____ City, State, Zip: _____

Phone: _____ Cell Phone Number: _____

Email Address: _____ Expected Graduation Date (month/year) _____

LOAN PERIOD (Check only one loan period)

- Fall 2009/Spring 2010
Fall 2009 Only
Spring 2010 Only
Summer 2010 Only

LENDER (Check only one)

You are strongly encouraged to keep your same lender from year to year! If you prefer to use a lender not listed below please contact the Financial Aid Office Loan Coordinator for instructions.

- Edamerica (831453)
First Tennessee Bank (810563)
SunTrust Bank (810691)
Wachovia (previously Educaid) (830005)
Fifth Third Bank (808780)
Wachovia (previously First Union) (802445)
Regions Bank (previously AmSouth) (810612)

LOAN AMOUNT

Students are awarded either "Subsidized" or "Unsubsidized" Stafford loan funds according to their eligibility. If a student's "Subsidized" (the federal government pays the interest while you are in school) Stafford loan eligibility is not enough to cover the requested loan amount, the remaining amount will be funded through an "Unsubsidized" (you are responsible for the interest) Stafford loan. Please bear in mind that NO student will be awarded more than the annual limits. Refer to the cover letter for loan limits.

Loan Amount Requested \$ _____

BORROWER INFORMATION

I authorize Volunteer State Community College to process my Federal Stafford Loan request. I understand that my Federal Stafford Loan constitutes a debt that will enter repayment upon the expiration of my grace period, six months after I graduate, withdraw, or otherwise drop below half-time enrollment.

By my signature, I authorize Volunteer State Community College to receive proceeds of my Federal Stafford Loan via the Electronic Funds Transfer process based upon my continued eligibility, and to apply these funds toward institutional charges for the specified term as well as any outstanding balance on my account.

I understand that I may rescind this authorization at any time by providing written notification to the Financial Aid Office within 10 working days prior to the expected disbursement date as provided in the "Notice of Loan Guarantee and Disclosure Statement" provided by my lender/guarantor.

Borrower's Signature

Date