



Vermont
College of
Fine Arts

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HOW TO APPLY FOR FINANCIAL AID

Directions:

- File the FAFSA at www.fafsa.ed.gov using the VCFA school code 003697. For enrollment periods beginning in summer 2013 through spring 2014, file the 2013-2014 FAFSA. For periods of enrollment beginning in summer 2014 through spring 2015, file the 2014-2015 FAFSA.
- Respond to any request for additional information from our Financial Aid Services Department. Do not send additional documents unless requested to do so.

William D. Ford Federal Direct Loan Program

Direct Loans are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education (the Department) rather than a bank or other financial institution. Direct Loans make loan repayment much easier--payments go directly to the federal government. Additional information on Federal Direct Loans is available from the Department of Education at www.studentloans.gov or 800-848-0979.

There are two types of Direct Loans:

1. **Federal Direct Unsubsidized Stafford Loans:** Students get Federal Direct Unsubsidized Stafford Loans regardless of need, but will have to pay all interest charges. The total maximum Direct Stafford Loan per year will remain at the 2011-12 level, which is \$20,500.
2. **Federal Direct Grad PLUS Loans (Plus Loans for Graduate and Professional Degree Students):** Graduate and professional degree students may borrow under the PLUS Loan program up to their school's cost of attendance minus other financial assistance.

Application Procedure:

To apply for a Federal Direct Stafford Loan you will need to complete the four steps below:

1. Complete the Free Application for Federal Student Aid (FAFSA) by using "FAFSA on the Web" at www.fafsa.ed.gov.
2. For periods of enrollment beginning in January-April 2013 complete the [loan request form](#) for the 2012-13 year. For periods of enrollment beginning June 2013-April 2014, complete the [loan request form](#) for the 2013-14 year.
3. Complete the online loan entrance counseling (required for first time borrowers)
4. Complete and sign the electronic Master Promissory Note (if not already signed)

Step 1: Complete the FAFSA online at www.fafsa.ed.gov

You should have received a Federal PIN from the U.S. Dept. of Education shortly after the first time that you completed a Free Application for Federal Student Aid (FAFSA). The PIN serves as your electronic signature and holds the same legal status as your written signature. You should keep your PIN in a safe place and not share it with anyone.

If you do not have a PIN, go to www.pin.ed.gov and choose either "Apply for a PIN" if you have never had one or "Request for a Duplicate PIN" if you had one but do not know it. You will need to submit your name, social security number, date of birth, and email or mailing address. A PIN will be generated and sent to you. You will have the option of receiving your PIN either through your email account (2-3 days) or your PIN can be mailed to you (7-10 days).

Step 2: Complete Online Entrance Counseling

All new borrowers at VCFA must complete the Federal Direct Student Loan Entrance Counseling. Borrowing a student loan is a serious financial obligation, and the entrance counseling will provide you with the important information you need to know to be able to make an informed decision about student loan borrowing. The entrance counseling must be completed before the Financial Aid Office will accept and process your loan application.

Complete the online entrance counseling on the Federal Direct Loan Servicing website at www.studentloans.gov. This tutorial reviews basic facts about Federal Direct Loans, and your rights and responsibilities as a borrower. After you complete the tutorial, you will be required to take and pass a quiz. The tutorial and quiz will take approximately 30 minutes to complete. Once you have passed the quiz, the system will display your quiz results and ask you to choose a school. You may print your passing entrance counseling quiz results along with a copy of your rights and responsibilities by clicking "Retrieve Quiz Results" from the main page.

Step 3: Complete and Sign your Electronic Master Promissory Note (MPN)

First time Direct Loan borrowers need to sign a Federal Direct Loan Master Promissory Note (MPN). If you have already signed a Federal Direct MPN previously for another Direct Loan college (online or paper), you do not have to complete a new MPN.

Students now are able to sign their MPN electronically on the web at www.studentloans.gov. You will need to log in using your PIN issued by the Department of Education and then select "Complete Master Promissory Note."

Completing an electronic MPN is very simple and easy. You must complete the entire process in a single session so be prepared and give yourself plenty of time. If you exit the site before signing your electronic MPN, you will be required to start over from the beginning.

IMPORTANT: Before beginning your electronic MPN session:

- Have your federal PIN ready. If you misplaced your PIN, see the instructions on how to obtain a new PIN.
- Be ready to provide two references (name, address, and telephone number). These should be people who have known you for at least one year (preferably relatives) who live at different addresses.
- Remember to always use your full legal name as it appears on your social security card.

Paper Option: If you do not wish to sign your MPN with your PIN, you may request that the Financial Aid Office print a copy of your MPN. The printed copy will be mailed to your home address for your signature, but this will delay the processing of your loan application.

VCFA Financial Aid Disclosure Statement – click [here](#).

Eligibility Criteria

To be eligible for a Federal Direct Loan a student must:

- be a U.S. citizen or permanent resident alien;
- be taking at least six credit hours and be matriculated in a degree program;
- not owe any refunds on a Pell Grant or other awards received and not be in default on repayment on any type of student loan.

Note: Students enrolled in a certificate or post-graduate study do not qualify for federal financial aid. Alternative loans may be available for these options. For more information contact Admissions at 1-866-934-8232 or by email at admissions@vcfa.edu or go [here](#) for a listing of potential lenders.

Each new student loan recipient will be required to complete entrance counseling before a loan application is processed and attend an exit interview when graduating or terminating from school.

Exit Counseling

Federal regulations require that all student loan borrowers must have an exit interview/exit counseling during their final semester at VCFA.

Students may access and complete the Exit Counseling at www.studentloans.gov. This will satisfy all requirements for exit counseling and give the borrower up to date information on their student loan balances. This is the quickest and easiest way to satisfy the exit counseling requirement.

Maximum Loan Amounts

Independent Student – An independent graduate student may be eligible to borrow up to a total of \$20,500 per year in the unsubsidized loan program per year. An independent graduate student may borrow up to an aggregate limit of \$138,500. No more than \$65,500 of this amount may be in subsidized loans. This maximum total graduate debt limit includes Federal Stafford Loans received for undergraduate study.

Repayment Terms

Graduate Federal Direct Stafford loans have been set at a fixed interest rate of 6.8%. In addition, all Federal Direct Loans are charged an origination fee of 1.051% with an up-front rebate of 0.5%.

For a Federal Direct PLUS loan, the fixed interest rate is 7.9%. In addition, the Federal Direct PLUS loan has an origination fee of 4.204% with an up-front rebate of 1.5%.

There are several ways to repay a Federal Direct Loan:

A standard repayment plan has a fixed monthly repayment amount for a fixed period of time, usually 10 years.

An extended repayment plan has a lower fixed monthly payment amount, and loan repayment can be extended beyond the usual 10 years.

A graduated repayment plan usually begins with lower monthly payments, and payment amounts increase at specified times. Payments may be the usual 10 year period, or they may be extended beyond the usual 10 years.

Income-contingent repayment plan sets annual repayment amounts based on the borrower's income after leaving school. The loan is repaid over an extended period of time, not to exceed 25 years.

Income-based repayment (IBR) plan is for student loan debt that is high relative to your income. Income-based repayment (IBR) is designed to reduce monthly payments to assist with making your student loan debt manageable. The monthly payments will never be more than the 10-year standard repayment amount and the monthly payments can be made over a period of 25 years.

Pay As You Earn plan helps keep your monthly student loan payments affordable, and usually has the lowest monthly payment amount of the repayment plans that are based on your income. The monthly payments will never be more than the 10-year standard repayment amount and the monthly payments can be made over a period of 25 years.

A servicing agency will be responsible for maintaining the loan account and repayments. It is the student's responsibility to maintain contact with that agency.

Loan Consolidation

Students who have previously borrowed FFELP student loans through a lending institution and who are now borrowing a Federal Direct Loan have the option to consolidate all of their student loans into one Federal Direct Consolidation Loan. This will help the borrower avoid the situation of owing two separate loans to two different lenders. Borrowers who are interested in consolidation of all their student loans into one Consolidation Loan can contact the U.S. Department of Education for more information at www.studentloans.gov.