

Indiana Tech

IMPORTANT NEWS

Beginning with the 2010-2011 Academic Year, all Federal Stafford loans, Federal Parent PLUS, and Federal Graduate PLUS loans borrowed to attend Indiana Tech will be originated, disbursed, and serviced through the U.S. Department of Education's **Direct Loan Program**. The Office of Scholarships and Financial Aid is notifying students of this important change effective as of July 1, 2010.

Indiana Tech has always processed loans through the FFELP program, which allowed students to select a lending institution to process their student loans. Effective July 1, 2010 all federal student loans borrowed to pay for educational expenses will now be processed by the Department of Education. This process includes Parent (PLUS) loans that allow parents to borrow funds to pay for their children's education. The terms of the Federal Stafford and Federal PLUS loans have not changed. **Direct Loans** still have the same interest rate, annual and aggregate loan limits, and 6-month grace period. The difference is in the servicing of the loans, meaning that repayment of the loan is paid directly to the Department of Education rather than a lender/servicer. Alternative or private loans can still be borrowed through lending institutions, but Indiana Tech recommends that students utilize the **Direct Loan** program first as funds received allow students to borrow low interest loans.

Indiana Tech recommends that all students (new and returning) complete the following procedures as soon as possible. Since loans will now be processed through the Department of Education, all students who plan to participate in the loan programs must complete a new Master Promissory Note (MPN).

New Students Borrowing under the Federal Direct Subsidized or Federal Direct Unsubsidized Program:

- Complete a Master Promissory Note, which is a binding agreement to repay your loans. This can be completed at www.studentloans.gov.
- Complete Entrance Counseling online at www.studentloans.gov. Entrance Counseling is required to ensure that you understand your rights and responsibilities in borrowing loan funds. Funds will not be released until this process is completed.

Returning students who have previous FFELP loans through a private lender:

- Complete a new Master Promissory Note, which is a binding agreement to repay your loans. This can be completed at www.studentloans.gov. Since loans will now be processed through the Department of Education, all students who plan to participate in the loan programs must complete a new MPN.
- Entrance counseling for returning students is NOT required if you have previously borrowed under the FFELP program and have previously completed entrance counseling while enrolled at Indiana Tech.

Parents who plan to participate in the PLUS program:

- Complete a Parent Loan Request Application with the Office of Scholarships and Financial Aid. Once the parent's credit history is checked and the parent loan is approved, the parent will need to complete a new Master Promissory Note, which is a binding agreement to repay the parent loan. This can be completed at www.studentloans.gov.

New Procedure effective with the 2010-2011 Academic Year

To assist students in the aid process, Indiana Tech has implemented a **PASSIVE AID** confirmation process. What exactly does this mean? Once your financial aid offer has been sent, you will have a 15-day period to review the award offer and request adjustments to your awards. After this time, all awards will be accepted on your behalf. If you listed an e-mail address on your FAFSA, we will e-mail you that confirmation process. To make adjustments or to decline the loan offered on your package, visit www.indianatech.edu/Forms and select the Student Loan Request form under the Financial Aid section. This form should be submitted to the Financial Aid Office for any requested loan changes. The following three methods are available for contacting the aid office: fax (260) 422-1578; e-mail financialaid@indianatech.edu; or call (800) 937-2448 ext. 2334.