

Direct Loan Adjustment Form

NAME: _____

Student ID#: _____

I am requesting Direct Loan funds for the _____ semester.

ADJUSTMENT/REQUEST
(Enter the requested amount):

Direct Subsidized \$ _____

Direct Unsubsidized \$ _____

- Awards will be processed using Direct Subsidized eligibility first.

Have you signed the MPN (Master Promissory Note)?

Yes No

Have you completed Student Loan Entrance Counseling?

Yes No

By signing below you acknowledge that you are requesting student loan funds and that in order to receive those funds must remain enrolled at least 6 credits hours during the current semester, must complete the MPN and Entrance Counseling and understand that this is a loan that must be repaid with interest to the Federal Department of Education.

Student Signature: _____

Date: _____

The ECTC Financial Aid Office will determine your loan eligibility amounts based on your enrollment status, cost of attendance, your other financial aid funds and unmet need.

Should I Borrow?

Most students today will borrow student loan funds at some point while they pursue their degree.

The benefits of student loans are obvious, but it is vital to also remember the importance of repaying the loan after you enter repayment.

Keep in mind that what you borrow now must be repaid, with interest.

You must plan your budget with the monthly payment in mind, for example a total loan debt of \$10,000 would result in a standard monthly payment of \$115; total loan debt of \$25,000 would result in a standard monthly payment of \$288.

Consider how much you need, if it is possible to borrow less now you will have to budget less in the future for repayment.

Additional information is on the back of this form and may also be found on the ECTC webpage. <http://elizabethtown.kctcs.edu>

Keep track of your overall student loan debt by checking the National Student Loan Data System: <http://www.nsls.ed.gov>

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Learn More

- What's the difference between Direct Subsidized Loans and Direct Unsubsidized Loans?

In short, Direct Subsidized Loans have slightly better terms to help out students with financial need.

Here's a quick overview of Direct Subsidized Loans:

Direct Subsidized Loans are available to undergraduate students with financial need. Your school determines the amount you can borrow, and the amount may not exceed your financial need.

For a subsidized loan, the U.S. Department of Education pays the interest

- while you're in school at least half-time,
- for the first six months after you leave school (referred to as a grace period*), and
- during a period of deferment (a postponement of loan payments).

*Note: If you receive a Direct Subsidized Loan that is first disbursed between July 1, 2012, and July 1, 2014, you will be responsible for paying any interest that accrues during your grace period. If you choose not to pay the interest that accrues during your grace period, the interest will be added to your principal balance.

Here's a quick overview of Direct Unsubsidized Loans:

Direct Unsubsidized Loans are available to undergraduate and graduate students; there is no requirement to demonstrate financial need. Your school determines the amount you can borrow by considering the cost of attendance and other financial aid you receive.

For an unsubsidized loan, you are responsible for paying the interest during all periods.

If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).

What happens if I don't make my student loan payment?

If you don't make your student loan payment or make your payment late, your loan may eventually go into **default**. If you default on your student loan, that status will be reported to credit bureaus, and your credit rating and future borrowing ability will be damaged. In addition, legal action can be taken to require payment through garnishment of wages and withholding of tax refunds

