



CONNECTICUT COLLEGE

Financial Aid Services - Larrabee Annex 270 Mohegan Avenue, New London CT 06320-4196

Phone: 860 439-2058 Fax: 860 439-2159

E-mail: finaid@conncoll.edu Web: www.connecticutcollege.edu

Dear student,

Effective January 1, 2009, Connecticut College began processing Federal Stafford loans differently. In the past, students who borrowed from this federal loan program were required to choose a lender. This type of lending was part of the Federal Family Education Loan Program or FFELP. Given the volatility of the current financial markets, some lenders have chosen to stop participating in this program. Also, lenders who previously offered incentives have discontinued those benefits.

Going forward, students will be receiving their funds via Direct Lending, which means that the funding will come directly from the U.S. Treasury. Students will no longer have to choose a lender. You are strongly encouraged to learn more about Direct Lending at this web site:

<http://www.ed.gov/offices/OSFAP/DirectLoan/index.html>

Direct Loan Fees and Interest Rates

Federal Direct Stafford Subsidized Loan

Interest rate: 6.0%

Fees: 1.5% with a rebate of 1.0%

Federal Direct Stafford Unsubsidized Loan

Interest rate: 6.8%

Because the source of the money has changed from the FFELP to Direct Lending, borrowers will be required to complete a new master promissory note. The master promissory note can be completed online. The link to this web site is provided on the next page.

Although the Department of Education administers both FFELP and Direct Lending, students must repay the proceeds to the holder of the promissory note. If a student has had previous loans with a private lender and then borrows under Direct Lending, there will be multiple monthly payments. To avoid this, you are encouraged to consider consolidating your loans under Direct Lending. For more information about consolidation, please visit this web site: <http://www.loanconsolidation.ed.gov/>

We understand that some students would prefer to stay with their current lender. Therefore, we will allow you to tell us how you would like to receive your loan proceeds. Complete the next page and return the signed document to our attention. However, all new borrowers must use the Direct Lending Program.

If you have any questions about this new initiative, please contact our staff for assistance.

Sincerely,

Elaine Solinga

Elaine Solinga

Director of Financial Aid Services



2009-2010 FEDERAL STAFFORD Loan Request Form

If you wish to **ACCEPT/DECLINE/DECREASE** your loan(s), complete steps 1-4 and return **immediately**.

STEP 1: STUDENT'S INFORMATION

Name _____ ID _____
Class Year _____ Email _____
Campus Ext # _____ Cell Phone # (optional) _____

STEP 2: ACCEPTING / DECLINING / DECREASING YOUR STAFFORD LOAN(S)

PLEASE REFER TO YOUR FINANCIAL AID AWARD AND CHECK THE APPROPRIATE BOX(ES).

A. INDICATE THE LOAN PERIOD: Full Academic Year Fall Semester **ONLY** Spring Semester **ONLY**

B. ACCEPT/DECLINE/DECREASE THE OFFERED LOAN(S):

_____ I ACCEPT MY LOAN(S) IN FULL _____ I WISH TO DECLINE MY LOAN(S) _____ I WISH TO DECREASE MY LOAN(S)
(indicate NEW amount you wish to borrow for the year)
 Subsidized Stafford Subsidized Stafford SUBSIDIZED STAFFORD \$ _____
 Unsubsidized Stafford Unsubsidized Stafford UNSUBSIDIZED STAFFORD \$ _____

C. PLEASE SELECT ACCORDINGLY:

FIRST TIME BORROWER PREVIOUS BORROWER:
PROCEED TO STEP 3. **CHECK ONE BELOW:**

_____ I prefer to remain with my previous Federal Stafford Loan lender (*funded by a bank*)
PROVIDE NAME OF LENDER & PROCEED TO STEP 4.

NAME OF LENDER: _____

_____ I prefer to participate in Federal **Direct** Stafford Loan (*funded by US Treasury*)
PROCEED TO STEP 3.

STEP 3: FIRST TIME FEDERAL STAFFORD BORROWERS

First time borrowers and borrowers new to Direct Lending must complete the following steps below:

Complete your **STAFFORD MASTER PROMISSORY NOTE (MPN) & ENTRANCE COUNSELING SESSION** online:

- Go to <http://www.conncoll.edu/admission/financialaid/8362.htm>

To learn more about Direct Lending go to: <http://studentaid.ed.gov/PORTALSWebApp/students/english/studentloans.jsp?tab=funding>

STEP 4: STUDENT'S SIGNATURE

Signature: _____ Today's Date _____

RETURN COMPLETED FORM TO:

Connecticut College, Financial Aid Services
Larrabee Annex, 270 Mohegan Avenue
New London, CT 06320-4196

OR FAX: (860) 439-2159