

2013-2014 Borrower-Based Federal Direct LOAN INSTRUCTIONS

Use these instructions for 2013-2014 loans beginning Fall 2013, Spring 2014 or Summer 2014

What is a Federal Direct Loan?

Federal Direct Loans are interest loans in which the US government is the lender. Repayment will begin six months after the student is no longer enrolled on at least a half-time basis. The lender and/or guarantor will deduct a 1.05% origination fee from the total loan amount at the time the loan is disbursed. Changes to the Federal Direct loans have occurred for all graduate students. For all loans period starting on/or after July 1, 2012, graduate students will only be eligible for Unsubsidized Federal Direct Loans.

Unsubsidized: With an "unsubsidized" Federal Direct Loan, the student is solely responsible for the interest from the date of disbursement. The interest can be deferred and capitalized (added on to the principal) while the student is in school in most cases. An unsubsidized loan is not based on financial need.

How much can I borrow?

Depending on financial need, graduate students may obtain up to \$20,500 each loan period (2 semesters) for an Unsubsidized Federal Direct Loan. One cannot, however, borrow more than the cost of education at the Seminary minus any other financial aid you receive. The cost of education includes tuition, fees, books and supplies, room and board, and a reasonable amount for personal expenses and transportation. **Western Seminary recommends that students limit their borrowing to \$13,333 in any 2 semester loan period and total graduate/undergraduate borrowing to \$40,000 at time of repayment. This applies to subsidized, unsubsidized Stafford, Federal Direct, consolidated and Perkins loans. These recommended loan limits are based on the expected income of a Western Seminary graduate. Students wishing to borrow in excess of these recommended limits will be asked to provide additional information regarding financial resources and future repayment.** It should be noted that the Seminary's intention is not to exclude students from seminary, but rather to take seriously the responsible handling of one's finances as a matter of biblical mandate and personal integrity, the possible limitations on a student's availability for vocational ministry as a result of high debt, and the impact of higher default rates on the seminary's participation in federal financial aid programs. Western Seminary is required by federal regulations and ATS to counsel students regarding their loan debt.

Who is eligible?

To be eligible, a student must be enrolled at least half-time (4 hours) and making satisfactory academic progress in a program (this now includes the Graduate Study Diploma and Graduate Studies Certificate programs as well as degree programs). You must maintain continuous half-time or greater enrollment throughout the loan period in order to receive loan proceeds. Our policy requires a loan recipient to complete 10 hours and two terms before applying for a subsequent loan. All students receiving federal loans must be meeting Satisfactory Academic Progress. The Office of Financial Aid must monitor Satisfactory Academic Progress (SAP) for all students receiving financial aid (federal and/or institutional aid) from Western Seminary. To remain eligible to receive financial aid, all financial aid recipients must meet two requirements: a quantitative measure or number of credits earned and a qualitative measure or cumulative grade point average (GPA) each measurement period. Please be advised, this process is separate from the Institutional Academic.

All students:

1. After the completion of each semester, students must maintain a cumulative grade point average of:

*Degree	Cumulative GPA
M.Div., Dip. Div	2.5
Graduate Studies Certificate Diploma	2.5
M.A. in Ministry and Leadership, M.A. (Intercultural Studies)	3.0
M.A. (Biblical and Theological Studies), M.A. in Counseling/Marital and Family Therapy, Th.M., D.Miss., D.Min.	3.0

2. Students must complete, with a passing grade, at least 75 percent of all courses attempted. When calculating the percentage of courses attempted, all credit-bearing courses taken at Western Seminary are considered, regardless of change of major. Students wishing to calculate their percentage of courses attempted may review their transcript through the student information system. The calculation is as follows: Earned Credits divided by Attempted Credits. Attempted Credits included classes which a student may receive an F, W (withdrawn), or I (incomplete). All transfer credits will be included in the calculation.
3. Maximum time frame for receiving financial aid is the duration of your program as defined by Western Seminary. Dual degrees maximums will be defined in the Academic Catalogue.

Degree	Max Credits
M.Div.	90
MABTS	64
MAML, MAIS	60
MAC/MFT	73
GSD	30
GSC	16
D.Miss.	36
D.Min.	30

Criteria for Continued Loan Eligibility:

Regular progress is based on the number of credits needed to earn in a two-term loan period the minimum number of credits necessary to earn the Master of Divinity degree within the statute of limitations for that degree, regardless of the program of the student. Our policy requires a loan recipient to complete 10 credits (6 credits for Doctoral and Th.M. students) and two terms before he/she may get a subsequent loan. (Note that, for MA students, this standard is stricter than the seminary's policy for students who are not receiving Title IV assistance.)

When should I apply?

To ensure your loan funds arrive in time for the first week of classes, you should begin the process two to three months prior to the beginning of the term. The entire Federal Direct Loan application process usually takes 6-8 weeks. We recommend you submit your FAFSA on the web as soon as possible once you have filed your 2012 tax returns. Paperwork is considered complete when we have a correct Student Aid Report (SAR), a completed Seminary Loan Application, evidence of on-line entrance counseling for first-time borrowers, and a serial Master Promissory Note has been filed with the lender (as well as the verification process, if applicable).

When should ALL paperwork be completed in order to have the loan check on time? If you are borrowing for

Loans beginning Fall 2013: **July 1, 2013**

Loans beginning Spring 2014: **November 1, 2013**

Loans beginning Summer 2014: **March 1, 2014**

How do I apply?

Complete the Western Seminary Federal Direct Loan Application and mail it to the Financial Aid Office.

1. **File a 2013-2014 Free Application for Federal Student Aid (FAFSA)** at <http://www.fafsa.ed.gov>. The Title IV School Code for Western Seminary is **G07178** (that is a zero, not an O). **(NOTE for Sacramento/San Jose students: Please use this code number, not the one for the Sacramento or "Bay Area" campus on the FAFSA website)** All graduate-level students are INDEPENDENT; therefore, no parent information is necessary on your FAFSA. From two to four weeks after you file the FAFSA, you will receive a Student Aid Report (SAR). **Check it over carefully. Read the comments. Read the loan history if you have had previous loans.** See if corrections are necessary (corrections may be made on the FAFSA website). **If** your SAR indicates you are chosen for "verification" by the Department of Education, you will be requested to complete a verification worksheet and provide the Seminary Financial Aid Office with a signed Transcript of your 2012 federal income tax and 2012 W2 forms to compare with the information on your SAR.
2. **Borrowers taking out their first loan at Western must do on-line entrance counseling which is available at <https://studentloans.gov/myDirectLoan/index.action>.** In section 3 (School Information), you should look under "Oregon" to find "Western Seminary" and indicate that as your school, regardless of which campus you attend. We will be notified electronically that you have completed your counseling. We will not process your loan application if we do not have a record that you have completed the entrance counseling.
3. **First time Federal Direct Loan borrowers must sign a Master Promissory Note (MPN).** Unless you have previous Federal Direct Loans, you will need to sign a new MPN (even if you signed a MPN for previous bank loans). You may sign the MPN electronically by going to <https://studentloans.gov/myDirectLoan/index.action>. We will not process your loan application if you have not completed a Federal Direct Loan MPN. Generally Western students will sign a MPN for a Federal Direct Loan once. Then, additional Federal Direct Loans can be obtained without submitting another MPN. When Western electronically certifies your loan, Western will send you an award letter indicating the periods of the loan, the amount of loan we have certified, the disbursement dates, etc.

How will the funds be disbursed?

Federal Direct Loan funds will be transferred electronically to the Portland office on or shortly before the beginning of the term. The seminary will write a check for the amount of the student's loan disbursement and deliver that check to the student during the first week of classes (when tuition is due). Factors that can hold up disbursement of a loan check: Portland Records Office cannot verify registration at the time the loan check was being processed for disbursement; student registered for less than half-time; student's GPA has dropped below eligibility; registration is rejected by the Portland business office due to an outstanding student account balance; student has not completed entrance counseling or prior semester grades have yet to be posted.

Who should I contact if I have questions?

The Seminary Financial Aid Office is located in Portland, Oregon. Please call the Financial Aid Director if you have any questions or if you wish to check on the status of your loan application. Western Seminary Financial Aid Office, 5511 S.E. Hawthorne Blvd., Portland, OR 97215, (503) 517-1818 or 1-877-517-1800 or schedule a visit with the Financial Aid Director. Fax (503) 517-1801.