

## APPLYING FOR FEDERAL STUDENT LOANS

Students who are eligible for and wish to borrow Federal Direct Unsubsidized or Graduate PLUS Loans at Cranbrook Academy of Art must complete the following steps:

1. Request the loan by completing the Cranbrook Academy of Art Loan Request form and returning the form to the Financial Aid Office; the form is found on the Forms and Intranet (need to edit and figure out where these go) pages of this website.
2. If this is your first time borrowing a loan at CAA:
  - a. Complete the Title IV Cash Management Authorization Form (found on the Forms and Intranet pages of this website)
  - b. Complete the following at [www.studentloans.gov](http://www.studentloans.gov):
    - i. Entrance Counseling;
    - ii. Financial Awareness Counseling (optional, but recommended);
    - iii. Master Promissory Note(s) (MPN) – separate MPN required for each type of loan you borrow (Federal Direct Unsubsidized Loan; Federal Direct Graduate PLUS Loan)
3. If you previously borrowed only an Unsubsidized loan and are now borrowing a Graduate PLUS loan for the first time, sign a Master Promissory Note (MPN) for the Graduate PLUS loan at [fafsa.ed.gov](http://fafsa.ed.gov).
4. If you previously borrowed a Graduate PLUS loan and required a cosigner, you will need to sign a Master Promissory Note (MPN) again at [studentloans.gov](http://studentloans.gov); if you need a cosigner again, the cosigner will need to sign another endorser addendum

*Multi-Year MPN:* Cranbrook Academy of Art utilizes multi-year MPNs. This means that students who sign an MPN for a Federal Direct Unsubsidized Loan or a Federal Direct Graduate PLUS Loan will not need to sign another MPN in future academic years, as long as the MPN has not expired. MPNs are good for ten years. The exception is a Graduate PLUS loan with an endorser, in which case a new MPN is required for each request.

*Loan Confirmation:* Cranbrook Academy of Art will send the student a Loan Confirmation once the loan has been originated in the Direct Loans system; this will confirm the loan amount requested and indicate the net amount that will be disbursed to the student's account. Loan Confirmations are emailed to students.



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*Loan Disclosure:* When the loan is scheduled to be disbursed, the student will receive a Loan Disclosure statement from Cranbrook Academy of Art indicating the date and amount of the loan disbursement. Loan Disclosures are emailed to students with the exception of Loan Disclosures for the initial disbursement scheduled for the start of fall semester (provided on Registration Day) and the start of spring semester (placed in the student's campus mailbox).

*Loans cannot be disbursed to students owing a balance for a prior academic year.* Federal regulations prohibit the use of current year financial aid funds to cover prior year balances.

*Registration required for loan disbursement:* A Registration Form for the semester must be on file before the loan can be disbursed to the student's account. Registration Forms will be emailed to students when they become available; they will also be available in the Forms and Intranet sections of the Cranbrook Academy of Art website.

*Declining FWS to increase loan eligibility:* You may decrease your Federal Work Study award in order to increase your eligibility for the Graduate PLUS loan.

*Repaying loans:* All students who borrow federal loans must promise to repay the loans according to the terms of the required Master Promissory Note. Repaying your loans in the shortest amount of time possible will result in repaying less in the long run. However, it is important to know that federal loans offer flexible repayment plans based on income for those who qualify. Please visit <https://studentaid.ed.gov/sa/repay-loans/understand/plans> to review available repayment plans.

*Sample repayment schedule for federal student loans:* Click [here](#) for a sample repayment schedule for federal student loans.



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### *Origination Fee Disclosure*

Direct Unsubsidized Stafford Loans, 1.062%. Direct Graduate PLUS Loans, 4.248%. The Origination Fee is deducted from the amount borrowed by Direct Loans before the loan is disbursed to your account.

### *2018-2019 interest rates*

Direct Unsubsidized Stafford Loans, 6.6%; Direct Graduate PLUS Loans, 7.6%. Interest rates are locked in for the life of the loan, but interest rates for new loans are established annually by federal law and announced in late spring.

*Right to cancel or reduce loans:* Students have the right to cancel or reduce a student loan within 14 days of being notified of a scheduled disbursement. Students may refuse loan funds and/or cancel any future disbursements at any time (Note: Upon request for cancellation, if any funds have been disbursed you may be responsible for returning the funds to the lender.)

Any requests for reduction or cancellation of loans already requested must be made to Leslie Tobakos, *Registrar, Financial Aid & Admissions Manager*, in writing; a signature is required.

