

Borrowing Student Loan Money at Siba

Students wishing to apply for financial aid at Siba should complete the Free Application for Federal Student Aid (FAFSA) form online at www.fafsa.ed.gov. Be sure to enter the correct school code for Siba: 008552. In order to complete your FAFSA, you must have an FSA ID. You can create an FSA ID at fsaid.ed.gov. If you completed a FAFSA to attend another college or university, you will need to update that FAFSA by adding our school code. The FAFSA must be completed prior to the application for Title IV Financial Aid.

The following items should then be completed by going to the studentloans.gov website and logging in with the same FSA ID that is used to complete your FAFSA:

- 1) Master Promissory Note (MPN). This promissory note is valid for 10 years.
- 2) Online entrance counseling.

The Siba Financial Aid department will receive a copy of your FAFSA and will determine whether additional information is needed. Some students may be selected by the U.S. Department of Education for verification, and if that is the case, more information will be needed from you (and possibly your parents or legal guardian) in order to complete your financial aid application. Some verifications are based on random selection, while others are based on changes or corrections that you may have made to your FAFSA.

If you are a dependent student and are in need of additional loan money to cover the cost of attending Siba (including living expenses), your biological parent or legal guardian may complete a Plus loan application. If your parent's application for the Plus loan is denied, we can process an additional unsubsidized loan in your name. The additional amount is dependent on your grade level.

When all of the necessary documentation has been submitted to the Siba Financial Aid office, your application and supporting documentation will be submitted to our processor. Our processor will determine your Financial Aid award and issue an award letter. When your award letter is received, a *Financial Planning Worksheet* will be emailed to you. The *Financial Planning Worksheet* will show your tuition charges and Title IV Financial Aid for each quarter. This will include your Pell Grant award, and your subsidized and unsubsidized student loan awards. Funds are **usually** available 7-10 business days from the day you receive your Financial Planning Worksheet. Your student loans and Pell grants are issued from the US Treasury Department. There are multiple reasons why your funds may be delayed during this process (incomplete or inaccurate FAFSAs, government holidays, staffing shortages at the US Treasury, etc.), but the Siba Financial Aid Department will do everything possible to disburse funds as soon as possible, and to keep you informed of any potential delays.

It is extremely important that you complete your FAFSA and provide all supporting documentation in a timely manner, so that your aid can be processed as quickly as possible.

We strongly advise all students to borrow responsibly, and to request the **least** amount of extra money that they can. If you need to borrow extra money to cover school-related expenses, you do not have to take out the maximum amount available to you. As a reminder—unsubsidized loans start accruing interest immediately upon their disbursement, which means that they are accruing interest while you are in school. Subsidized loans start accruing interest when you stop attending school.

All loans, plus interest, must be repaid, including any money taken out above the tuition amount for school related/living expenses. You do not want to burden yourself with unnecessary debt. Furthermore, taking out extra money each quarter could result in there not being enough federal student aid available for you to complete a

bachelor degree program. The maximum amount an undergraduate independent student or dependent student with a PLUS loan denial, can borrow is \$57,500. The maximum amount an undergraduate dependent student can borrow is \$31,000. This amount includes the extra money borrowed beyond tuition. Once you reach this limit, you will not be able to borrow Title IV subsidized or unsubsidized loans to complete your degree at any college or university.

The only money that you do not have to repay is a Pell Grant. Not everyone qualifies for Pell Grants and Pell Grants will not cover all of your tuition costs. Starting with the 2012-2013 award year the Department of Education put a cap of 600% Pell eligibility for undergraduate students. For students attending full time, this translates to 6 years of eligibility. That time is extended for students who attend part-time. If you received Pell Grants at a previous school this will count towards your 600%.

There are severe penalties for defaulting on your student loans and you cannot discharge student loans by filing Bankruptcy. If you default on your student loans, the government can seize your income tax refund, garnish your wages, and deny you additional federal student aid. Defaulting on your loans will severely damage your credit rating, which could result in being denied access to credit cards, automobile loans, and home mortgages.

I plan on paying for my tuition by:

- Cash Pay Loans
 Subsidized Loan Unsubsidized Loan Plus Loan

I would like to borrow extra money for education related expenses in the amount of \$ _____ per term.

I understand that all tuition charges will be paid first and that if the tuition meets or exceeds the maximum Title IV aid available, I will not qualify for some or all of this amount.

I have read and understand the Financial Aid Borrowing Policy of Siba:

Print: _____ **Date:** _____

Sign: _____

If you have any questions please contact Director of Financial Aid, Chrissa Siampos.
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