

2025-2026

PROCEDURES FOR OBTAINING A FEDERAL DIRECT LOAN (PAPER APPLICATION)

- 1) Fill out the 2025-2026 Free Application for Federal Student Aid (FAFSA) at:

<https://studentaid.gov/h/apply-for-aid/fafsa>

I. If you are selected for Verification, all the required paperwork must be submitted and finalized before a loan can be processed.

- 2) Visit <https://studentaid.gov> and log in using your FSA ID (Username) or verified Email Address & Password

The screenshot shows the Federal Student Aid website. The top navigation bar includes links for 'Help Center', 'FAFSA Form', and 'English | Español'. The main content area has a large banner for 'Manage and Repay Your Federal Student Loans' with a 'Get Repayment Tips' button. To the right, there are 'POPULAR TOPICS' including 'Use Loan Simulator To Compare Repayment Plans', 'Find Your Student Loan Servicer', 'Apply for a Direct Consolidation Loan', 'Apply for an Income-Driven Repayment Plan', and 'Fill Out a FAFSA Form'. On the far right, there is a 'Log In' section with a 'Log In' button and links for 'Forgot My Username' and 'Forgot My Password'. A large black arrow points to the 'Log In' link in the top navigation bar. Another large black arrow points to the 'Log In' button on the right side of the page. A third large black arrow points to the 'Log In' button on the right side of the page.

- 3) Complete: **Entrance Counseling (A)** & a **Master Promissory Note (MPN) (B)** - Do not confuse Financial Awareness for Entrance Counseling.

The screenshot shows the 'Quick Links' section on the Federal Student Aid website. The links listed are: 'FAFSA Form', 'Tips for Filling Out the FAFSA Form', 'Master Promissory Note (MPN)', 'Entrance Counseling', 'Information About FAFSA Submission Summary', and 'PLUS Loan for Parents and Graduate Students'. A large black arrow labeled 'A' points to 'Entrance Counseling'. A large black arrow labeled 'B' points to 'Master Promissory Note (MPN)'.

- 4) Complete the Federal Direct Loan Application (3rd Page attached)

TYPES OF LOANS

1. **Direct Subsidized Loan:** (Based on financial need) Interest will not be charged as long as you maintain at least half-time enrollment (6 credits).
2. **Direct Unsubsidized Loan:** Accrues interest while in school.

Annual Loan Limits for Subsidized and Unsubsidized Loans

	<i>Subsidized</i>	<i>Unsubsidized</i>	<i>Total subsidized & Unsubsidized</i>
<i>Dependent Students</i>			
First Year (Freshman) (0-29 credits)	\$3,500	\$2,000	\$5,500
Second Year (Sophomore) (30+ credits)	\$4,500	\$2,000	\$6,500
<i>Independent Students</i>			
First Year (Freshman) (0-29 credits)	\$3,500	\$6,000	\$9,500
Second Year (Sophomore) (30+ credits)	\$4,500	\$6,000	\$10,500

Aggregate (Lifetime) Undergraduate Loan Limits for Subsidized and Unsubsidized Loans

	<i>Subsidized</i>	<i>Unsubsidized</i>	<i>Total subsidized & Unsubsidized</i>
<i>Dependent Students</i>	\$23,000	\$8,000	\$31,000
<i>Independent Students</i>	\$23,000	\$34,500	\$57,500

*Note: The Maximum Subsidized loan cannot exceed the Financial NEED of the student

**The Total Loan cannot exceed the student's COST OF ATTENDANCE (COA) for the loan period.

Frequently Asked Questions

What is the current interest rate of Federal Direct Student Loans? **6.39%** for both Direct Subsidized and Unsubsidized loans first disbursed on or after July 1, 2025 and before July 1, 2026.

*** In addition, each loan has an origination fee, which is deducted proportionally from the loan by the Department of Education.

When do I start repaying my student loans?

If you're attending school at least half-time, you have a grace period after you graduate, leave school, or drop below half-time status before you must begin repayment. The grace period for a Federal Direct Loan(s) is six (6) months.

- **SUBSIDIZED LOAN:** During the grace period, you do not have to pay any principal, and interest will not accrue.
- **UNSUBSIDIZED LOAN:** You do not have to pay any principal, but you will accrue interest. You can either pay the interest as you go along or you may choose to defer payments until later, but remember that the interest will continue to accrue and will later be capitalized.

For additional information about student loans, you may visit the following websites:

<https://studentaid.gov>

<https://studentaid.gov/understand-aid/types/loans/subsidized-unsubsidized>

<https://studentaid.gov/manage-loans/repayment/servicers>

<https://www.kbcc.cuny.edu/financialaid/federaldirectloan.html>

*****Please allow up to two weeks for your Federal Direct Loan(s) to be processed*****



2025-2026

Office of Financial Aid

PAPER FEDERAL DIRECT LOAN APPLICATION

Borrower information to be completed by Student

(Please print clearly in **Black or Blue Ink** only. NOTE: Incomplete applications will NOT be processed)

Name: _____
LAST NAME FIRST NAME MI

D.O.B: _____
MM DD YYYY EMPLID#

Address: _____
NUMBER/STREET APT # CITY STATE ZIP

Phone: (____) _____ - _____ Email: _____

Before applying for a Federal Direct Loan, make sure you have met the following requirements:

- ☐ I have completed a **Free Application for Federal Student Aid (FAFSA)** for the 2025-2026 school year.
- ☐ I have completed **Entrance counseling and a Master Promissory Note (MPN)**.
- ☐ I am enrolled and attending courses worth a minimum of six (6) credits/equated credits and am matriculated in a degree-granting program.
- ☐ I am aware that I must meet Satisfactory Academic Progress (**SAP**) to receive Federal Direct Loan(s).

*Please note all disbursements of Direct Loan Funds are made **30 days** after the first day of classes for the term. All loans will be disbursed in two (2) equal payments per semester. Please allow up to two weeks for your Federal Direct Loan(s) to be processed.

All sections below must be completed in order for your loan to be successfully processed:

1. Expected Graduation Term: _____
2. Please indicate below the amount you wish to borrow. (****If you wish to borrow an Unsubsidized Loan you must check the box next to "Direct Unsubsidized Loan," if left unchecked our Office will only process Direct Subsidized Loans****)

☒ Direct Subsidized Loan ☐ ****Direct Unsubsidized Loan****

Please check only ONE of the options below:

- ☐ **Fall 2025 & Spring 2026** \$ _____
- ☐ **Fall 2025 Only** \$ _____
- ☐ **Spring 2026 Only** \$ _____

Applicant Certification: My signature below certifies that I understand: **1)** this request form is not a Master Promissory Note (MPN); **2)** that I have completed Entrance Counseling; **3)** the Office of Financial Aid will determine my eligibility for Federal Direct Loans; **4)** my loan request cannot be processed until the Financial Aid Office has received the results of my 2025-2026 FAFSA, collected all required documentation, and determined my application information to be correct; **5)** I must maintain half-time enrollment (**6 credits**) in order to receive any disbursement of Federal Direct Loan funds; **6)** the loan amount cannot exceed my cost of attendance (COA) minus any other financial aid awarded; **7)** my loan may be reduced at any time due to a change in enrollment or financial aid eligibility; and **8)** the Bursars' Office will make any necessary deductions from my Federal Direct Loan to pay my remaining tuition liability before I receive the balance of the funds.

Student's Signature: _____ **Date:** _____

****HANDWRITTEN SIGNATURE ONLY**

Contact Info

Kingsborough Community College
Office of Financial Aid
Room U-201
Phone: (718) 368-4644/5651

Received by: _____

Date: _____