



Cornell University Graduate School

172 Caldwell Hall
Ithaca, NY 14853-2602

WILLIAM D. FORD FEDERAL DIRECT LOAN APPLICATION **Form F4**

BEFORE YOU BEGIN

The Direct Loan Program makes federal loan funds available to students directly through the University. Direct loans are available in both subsidized and unsubsidized components: subsidized loans are ones for which no interest accrues to the borrower during enrollment; unsubsidized loans are ones for which the interest accrues to the borrower during enrollment. The Federal Direct Student Loan is not an additional loan source; it replaced the Federal Stafford and SLS Loan programs at Cornell.

APPLICATION PROCESS

1. Complete the Federal Direct Loan Application, submit your current Federal tax return or statement of non-filing and complete the current FAFSA.
2. Your financial aid file must be complete. Please contact the Graduate School Loans Office for confirmation.
3. The Graduate School Loans Office will determine your eligibility for subsidized and/or unsubsidized funds.
4. If you received a William D. Ford Federal Direct Loan from Cornell in the past, you don't need to do anything now because you signed a Master Promissory Note (MPN) the first time you borrowed. If you have not borrowed in the past, you will need to sign a promissory note for this loan. The MPN for the Federal Direct Loan Program is signed electronically online (Electronic Master Promissory Note, or EMPN). You must go to the Department of Education's Web site, dlenote.ed.gov, to sign your note. You **must** complete all 10 steps.
5. If you are a first-time borrower, you must complete a Direct Loan Entrance Counseling Form. Look for the tab on the EMPN Web site, or go to www.dlsonline.com to complete the form. Please Note: Your FAFSA PIN is required to complete this process. If you do not have a valid PIN, please go to the Department of Education PIN site at www.pin.ed.gov.
6. Once you have completed the EMPN and the Entrance Counseling Form, Cornell will disburse the semester's funds to your bursar account.

ELIGIBILITY AND LOAN TERMS

1. Eligibility is based on demonstrated need, as determined by the Graduate School Loans Office review of the FAFSA and federal tax returns.
2. The interest rate as of July 1, 2006, is fixed at 6.80 percent.
3. The loan fee is 3 percent of the amount you borrow. The amount will be deducted for required federal fees (origination fees).
4. Maximum annual loan amounts: \$8,500 Subsidized; \$20,500 Unsubsidized (less any subsidized loan awarded). The Graduate School will notify you of your eligibility.
5. Aggregate borrowing limits: Subsidized Direct Loans, \$65,000; Unsubsidized Direct Loans, \$73,000.

REPAYMENT

The Federal Direct Loan is repaid to the U.S. Department of Education via loan servicer under contract to the Department. The U.S. Department of Education can be contacted at 1-800-848-0979 or www.ed.gov/directloan.

FOUR REPAYMENT OPTIONS

1. Standard: A fixed annual payment over a fixed period of time (\$600 annual minimum payment; 10-year maximum term)
2. Extended: a fixed annual payment over an extended period of time (\$600 annual minimum, or the amount of interest due each year, whichever is greater)
3. Graduated: annual repayment amounts at two or more levels, paid over a fixed or extended period of time
4. Income contingent: Varying annual repayment amounts based on the borrower's adjusted gross income over an extended period of time

OTHER IMPORTANT INFORMATION

1. You may change the choice of repayment plans under conditions established by the U.S. Department of Education;
2. Repayment may be accelerated without penalty;
3. Based on exceptional circumstances, the U.S. Department of Education may establish an alternative payment schedule for the borrower.

Retain this document for your records and reference.

