



STAFFORD LOAN INFORMATION



Dear Student,

You will need to follow the instructions on this page, in order to receive a Federal Stafford Student Loan. Taking out a loan is a big responsibility, and should not be taken lightly. A student loan, like any other loan, is a debt that must be repaid, with interest. You will owe this money back even if you withdraw from Victor Valley College without completing your degree or are unable to find work. On a positive note, taking out a student loan can also help you establish or re-establish a good credit history, and can assist you in bridging the gap and meeting your educational expenses.

The amount you may borrow is determined on two factors: 1.) the total number of units you have completed, and 2.) your 'unmet need' on your financial aid award. You will need to determine these two factors before applying for a loan, as our office will only certify your loan up to the amount you are eligible for, even if you requested a higher amount. Because we want you to exhaust all gift aid, such as grants and scholarships, before taking out a student loan, you should not apply for a loan until you have been awarded, and viewed your award letter on our website.

Be aware that you can apply anytime for your loan during the fall and spring semester, until our advertised spring cut-off date for the 2007-2008 Academic Year. If you do not need the funds now, you can wait to apply at a later date.

If you have any additional questions, please feel free to email us at financialaid@vvc.edu or stop by our office during business hours. We also offer Student Loan and Money Management Workshops that will be beneficial to you, and best of all, they are free! Check out our website for current offerings.

Should you decide to take out a student loan, please follow the instructions at the right of this page. You might want to keep this letter and the "Loan Process Steps" for your records.

Best of luck in reaching your personal and educational goals,

Sharon Groom
Director, Financial Aid

Greg Ryan
Associate Director, Financial Aid

Loan Process steps at Victor Valley College

1. Go to the financial aid website at www.vvc.edu and click on "Financial Aid" and then "Student Loans."
2. Follow the steps on line to create a borrower account for yourself, complete the entrance/exit counseling, and complete your Master Promissory Note (MPN.) Important Note: You will complete the Entrance Counseling requirement when you complete your MPN, however you will still be required to complete Exit Counseling separately before your loan will be certified. Please go back to the website listed under Step 1 and click "Complete Exit Counseling." You will also need to complete one workshop per academic year (see Counseling on reverse side.) Continuing VVC borrowers only: If you had a loan at VVC last year, you will not need to create a new account. Instead, you will log back in using your prior year user name and password. As long as you stay with the same lender, you will not need to complete a new MPN, as your prior year MPN will carry forward.
3. The Financial Aid Office at VVC will certify your loan. (Please note that we will only certify up to the amount you are eligible for, even if you requested a higher amount.)
4. Your loan will be scheduled for disbursement. You will receive a disclosure notice in the mail indicating when your funds will be disbursed. If you have any questions, contact USA Funds directly at 1-888-272-5543, or log back in to the Open Net web site any time to track the status of your loan.
5. You will receive your loan funds. (Note: you must be enrolled in at least 6 units at the time your disbursement is scheduled, in order to receive your loan check.)

Important Points:

Interest Rate

Your loan has a fixed interest rate of 6.8%

Types of Loans

Victor Valley College participates in the Federal Family Education Loan Program (FFELP.) You may apply for Federal Stafford or PLUS loans. Stafford Loans are Subsidized (need based, interest paid by the Federal government) and unsubsidized (non-need based, interest accrues after disbursement.) PLUS (Parent Loan for Undergraduate Students) are for dependent students whose parents apply on behalf of the student.

Maximum Loan Amounts

The Subsidized maximum amounts are:

First Year Student: \$3,500 (0-29 units completed)

Second Year Student: \$4,500 (30 + units completed)

(You must have at least enough unmet need on your award letter to cover the amount of your loan request.)

If you need additional funds, and are an independent student, or if you do not have enough unmet need to receive the full subsidized amount, you may receive an unsubsidized loan.

First and Second Year Students: \$4,000* (*Note: Dependent students may only apply for an additional unsubsidized loan if their Parent first applies for, and is denied due to credit history, for a PLUS loan.)

You may combine the two amounts, for a total of:

First Year student: \$3,500 + \$4,000=\$7,500

Second Year student: \$4,500 + \$4,000=\$8,500 (if completed 30 units or more)

Fees

There are two fees associated with borrowing a student loan. They are the origination fee and default fee. The origination fee is 1.5%, however, it may be waived by your lender. The default fee is 1%, which also might be waived. Your loan proceeds will be reduced by the amount of the fees, however, you will be responsible for repayment of the entire amount borrowed.

Counseling

You will need to complete entrance and exit counseling each time you apply for a loan from VVC. This will be completed on line automatically before you complete your promissory note. All borrowers are also required to complete one financial aid workshop each academic year before their loan will be certified. You may view the Financial Aid website at www.vvc.edu and click on the workshop link, check the current Financial Aid Newsletter, or visit our office to obtain current workshop offerings and availability.

Choosing a Lender

We have listed lenders that we have worked with, who have demonstrated a commitment to serving students. Our lender list was compiled based on the benefits a student can receive and a strong history of customer service to students, as well as student feedback. In particular, the VVC Financial Aid Office is concerned with offering borrowers additional benefits to allow the student to receive more money back in their pocket (i.e. less fees) and to allow the borrower to pay off the balance faster, thus saving total interest costs. Refer to the lender list below to select a lender that offers benefits to suit your particular needs. While our lender list was compiled in your best interest, it is important to understand that you may select any lender that participates in FFELP Stafford Loans. To do so, when prompted online to select a lender, choose "Other" and follow the instructions, or contact our office for assistance.

Citibank

Lender Code: 82678
1-800-967-2400
www.studentloan.com
Automatic 50% interest rate reduction at repayment
Additional 0.25% interest rate reduction when you sign up for E-Z Pay auto debit and receive electronic statements only after 24 consecutive online payments
Citibank does not sell loans
Serviced by Citibank

Bank of America

Lender Code: 801871
1-800-344-8382
www.bankofamerica.com/studentloans
Zero fees
Immediate 0.25 interest rate reduction with auto debit
1.0% outstanding principal reduction after 12 consecutive, on-time payments
1.0% outstanding principal reduction after next 12 consecutive, on-time payments
1.0% outstanding principal reduction after third 12 consecutive, on-time payments
Bank of America provides a 15-day grace period during repayment
Should a borrower miss a payment in one of the 12-month periods, they still qualify to receive reductions in the remaining period(s)
Serviced by Sallie Mae

Coamerica Colledge Loans

Lender Code: 830489
1-877-colledge
www.colledgeloans/coamerica
Serviced by Loan Star Systems Inc.
Last 5 payments are waived with an additional 2 payments when signing up for auto debit payment
Additional conditions may apply
One-time forgiveness for late payment

Nelnet

Lender Code: 833669
1-888-486-4722
www.nelnet.net
Serviced by Loan Star Systems Inc.
Last 5 payments are waived with an additional 2 payments when signing up for auto debit payment
Additional conditions may apply
One-time forgiveness for late payment

Wells Fargo

Lender Code: 807176
0% origination fee
0% federal default fee
Wells Fargo does not sell your loans—you will have one point of contact and one phone number from initial application through final payment

Nellie Mae

Lender Code: 829076
1-877-332-7028
www.nelliemae.com
Zero origination fees on all Stafford Loans
Zero default fees on all Stafford Loans (for loans guaranteed by USA Funds)
3.3% loan credit or cash back after the first 33 on-time payments based on the original principal balance
0.50 percentage point interest rate reduction for automatic debit
Upromise loan link — borrowers who sign up with Upromise and link their eligible Stafford loan will have the opportunity to use their Upromise cash savings to pay down their outstanding Stafford loan balance
Convenient account access available 24/7 with Manage Your Loans
Flexible repayment options
Serviced by Sallie Mae

Student Loan Xpress

Lender Code 834263
1-866-759-7737
www.slxpress.com
0% origination fee
0% default fee
5% principal reduction after first 48 payments are made on-time
.25% interest rate reduction for auto debit or loan payments
Life of loan servicing
Loan Services: Xpress Loan Servicing

Southwest Student Services

Lender Code: 830630
1-888-272-5543
www.sssc.com
0% origination fees
3.3% loan credit/cash back after 33 on-time payments
.50% rate reduction for auto debit
.50% rate reduction after the first on-time payment
0% default fee
Upromise loan link — borrowers who sign up with Upromise may link their Sallie Mae loan accounts to their Upromise account and use their Upromise cash savings to pay down their outstanding loan balance
Serviced by Southwest/Sallie Mae; does not sell loans
Customer service@sssc.com

U.S. Bank

Lender Code: 815678
1-800-242-1200
www.usbank.com
0% origination fees
Local branch in Vons (Bear Valley/Hesperia Road)
5.0% credit back of the original principal balance after 36 consecutive on-time payments
.25% interest rate reduction for autopay
Free student bank accounts available
20-day grace period after due date

