Federal Direct Loan Student Requirements

If you are accepting the Federal Direct Loan(s) offered to you, the following steps below are required. You must go through ALL steps to ensure proper processing of your loan.

**Step 1 – Accept your loan**
1. Go to myuh.hawaii.edu
2. Log in to your account using your UH username and password.
3. Click on “View My Financial Aid Information”.
4. Select “Award By Aid Year”
5. Choose the school campus and school year you are anticipating to receive financial aid for.
6. Select “Terms and Conditions” tab
7. Accept the Financial Aid Award Policy by clicking on “Accept.”
8. Select the “Accept Award Offer” tab
9. Accept your loan award by clicking on “Select Decision” and choosing “Accept.”
   **Important Note:** You do not need to accept the entire loan amount offered. Take some time to think about how much student loans you really should take. You may accept a partial amount of your loan. If you would like to request a loan amount less than the amount offered, please indicate the amount in the “Accept Partial Amount” column.
10. After selecting your decision(s), click on “Submit Decision”

**Step 2 – Complete the Entrance Counseling**
The Entrance Counseling session will take at least 30 minutes to complete and must be completed in 1 session.
1. Go to www.studentloans.gov
2. Click on “Log In” and log in using your FSA ID username and password.
3. Click on “Complete Counseling” then “Start Entrance Counseling.”
4. Carefully read through the instructions to complete the Entrance Counseling.
   - **Section 1 Understand Your Loans** – You will be taken through important information regarding student loans. To successfully complete this section, you must answer the Check Your Knowledge questions correctly.
   - **Section 2 Manage Your Spending** – You will be able to make a school expense budget then estimate the funds you have available for school. Your available funds for school must be equal or greater than your expense budget for school. Again, thoroughly read the information and answer the questions correctly to go on to the next question.
   - **Section 3 Plan to Repay** – This section will go over student loan repayments. You can estimate how much student loans you expect to have by the time you graduate and your potential income for your chosen profession. Again, thoroughly read the information and answer the questions correctly to go on to the next section.
   - **Section 4 Avoid Default** – This section will go over consequences of not repaying your loan. Read the information carefully and answer the questions correctly to go on to the next section.
   - **Section 5 Finances: A Priority** – The last section will go over basic information about financial planning, income and taxes, credit and more. Read the information and correctly answer the questions to complete the Entrance Counseling.

**Step 3 – Complete the Master Promissory Note**
The Master Promissory Note (MPN) is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education.
1. Select “Complete Loan Agreement (Master Promissory Note).”
2. Review “What You Need” to complete the Master Promissory Note.
3. Click on appropriate type of loan you are planning to receive.
4. Follow the instructions and provide the needed information.
5. **Read all the terms and conditions.**
6. Review the information you entered, then sign and submit.
Student loans are available to eligible students enrolled at least half-time status at Honolulu Community College to help meet their educational expenses. **Student loans must be repaid.**

### Types of Loans

**FEDERAL DIRECT LOANS** are funded by the U.S. Federal Government and must be repaid to the U.S. Department of Education. Repayment begins six (6) months after you graduate, withdraw, transfer to another institution, drop below half-time enrollment, or stop attending classes. Federal Direct Loans are subject to loan fees and will automatically be deducted from your loan disbursements. Loans are disbursed in two equal payments during the period of the loan.

- **Direct SUBSIDIZED** Loans are offered to students who demonstrate financial need. The federal government pays the interest on the loan while the student is enrolled at least half-time status. Students will be responsible for the interest that accrues while the loan is in the grace period. Check [www.studentloans.gov](http://www.studentloans.gov) for the most current interest rates and processing fees.

- **Direct UNSUBSIDIZED** Loans are typically offered to students who do not demonstrate financial need. It may also be used to supplement a Federal Direct Subsidized Loan. Unlike the Federal Direct Subsidized Loan, the borrower is responsible for the interest on the loan from the time of disbursement until the loan has been paid in full. Check [www.studentloans.gov](http://www.studentloans.gov) for the most current interest rates and processing fees.

**STATE HIGHER EDUCATION LOANS (SHEL)** are available to Hawaii residents and must be repaid with an interest rate of 5%. Repayment and interest begins nine months after the student graduates or drops below half-time enrollment status.

### Loan Limits

The maximum amount a student may borrow each academic year depends on the following:

1. Grade level in college as determined by credits completed:
   - Freshmen: 0-29.9 credits
   - Sophomore: 30+ credits
2. Length of academic program
3. Cost of attendance
4. Dependency status (dependent or independent)

The annual loan limits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>BASE (Subsidized &amp; Unsubsidized)</th>
<th>Additional Unsubsidized</th>
<th>Maximum Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent 1st Year Student (Freshman)</td>
<td>$3,500</td>
<td>$2,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>Dependent 2nd Year Student (Sophomore)</td>
<td>$4,500</td>
<td>$2,000</td>
<td>$6,500</td>
</tr>
<tr>
<td>Independent 1st Year Student (Freshman)</td>
<td>$3,500</td>
<td>$6,000</td>
<td>$9,500</td>
</tr>
<tr>
<td>Independent 2nd Year Student (Sophomore)</td>
<td>$4,500</td>
<td>$6,000</td>
<td>$10,500</td>
</tr>
</tbody>
</table>

### Steps to get a Student Loan

1. Complete the FAFSA and submit the required documents as requested by the Honolulu CC’s Financial Aid Office.

2. Using your FSA ID, complete the **Master Promissory Note (MPN)** and **Entrance Counseling** online at [https://studentloans.gov](http://https://studentloans.gov).

3. Once the Honolulu CC Financial Aid Office receives confirmation that an MPN and Entrance Counseling session has been completed, the U.S. Dept. of Education will release the funds to the school to be disbursed as soon as possible.
   - **30-Day Delay:** For first time, first-year student loan borrowers, loans will be disbursed no earlier than 30 days after the start of the semester, per Federal regulation.

4. Remember to keep all your loan records and notify the U.S. Department of Education and/or the Financial Aid Office of any changes to your name, address, phone number, enrollment status, and/or if you transfer to another school.

5. The award offered may not meet all of your educational expenses. In this case, you may consider applying for a student loan by submitting a **Loan Request Form** to the Financial Aid Office along with any supporting documents for the request.