



# Lander University Office of Financial Aid

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## 2009-2010 Borrowing Close to or in Excess of Loan Limits

You have been sent this worksheet because our records indicate that you have borrowed close to or in excess of the federal aggregate loan limits for the Federal Stafford Student Loan Programs. The aggregate loan limits are as follows:

- Dependent Student: \$31,000 (only \$23,000 may be in Subsidized loans)
- Independent Students: \$57,500 (only \$23,000 may be in Subsidized loans)
- Graduate Students: \$138,500 (only \$65,500 may be in Subsidized loans. Includes all undergraduate loans)

**At present, we will process your loan for any eligibility you have remaining, if any, and no additional action is needed on your part. However, if you are a dependent student and have borrowed additional Federal Unsubsidized Stafford Loans in the past because you have had PLUS loan denials, you can complete the form below and we will be glad to re-evaluate your loan eligibility.**

Last	First	Student ID Number	Date of Birth
Street Address		City	State ZIP
Telephone Number		E-Mail Address	

**I have borrowed additional Federal Unsubsidized Stafford Loans in the past because my parents did not meet the credit requirements for the Federal PLUS Loan.** I understand that these are loans that I must repay. I understand that the Federal Unsubsidized Stafford Loans that I have borrowed accrue interest while I am in school, and that I am responsible for that interest, either by making interest payments while in school or by allowing the interest to be added to my loan principal. ***I have reviewed the counseling materials on the reverse of this sheet and understand my responsibilities as a borrower. I understand my current level of indebtedness.*** I understand that I will be required to make monthly payments similar to those shown on the sample repayment chart on the reverse. I request that the Office of Financial Aid review my file and award additional financial aid, if possible.

Name of Parent Borrower	Parent Social Security Number
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Name of Lender Denying Loan

I understand that I have borrowed student loans that I must repay. I understand that the Federal Unsubsidized Stafford Loans that I have borrowed accrue interest while I am in school, and that I am responsible for that interest, either by making interest payments while in school or by allowing the interest to be added to my loan principal. I have reviewed the counseling materials on the reverse of this sheet and understand my responsibilities as a borrower. I understand my current level of indebtedness. I understand that I will be required to make monthly payments similar to those shown on the sample repayment chart on the reverse.

Student signature	Date
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DATA ENTRY	COUNSELOR REVIEW	
RRAAREQ	N=Pending Review	Review RNIMSxx NSLDS. If <u>dependent</u> student, confirm PLUS denials if box checked. Attach <u>Agg Worksheet</u> for Plus Denials in Policies & Procedures\Forms\Forms 09-10\MS Word Forms
Initials/date		If cleared, go to RNARS10 to NSLDS Override Indicator = L.
Fwd to Counselor date		Is student packaged? <input type="checkbox"/> Yes - Update RPAAWRD <input type="checkbox"/> No - S Code doc and hold form to make manual loan adjustments after pkg'd
ISIR Guide Appendix B Comment FSAH 0809 Vo1. Ch. 3 668.35(b) (1) Dear Colleague Ltr GEN 96-13, Q&A #17	Comment Codes: 257 258	RRAAREQ RHACOMM
		CNSLR Initials/date

## **REMEMBER: LOANS ARE SOURCES OF FINANCIAL AID THAT MUST BE REPAYED.**

Government-sponsored educational loans are an excellent resource if you decide to borrow to pay for your education. They are better than traditional consumer loans because they usually offer lower interest rates and extended repayment terms, require no collateral, and help students and parents with the costs of education.

Whether or not to borrow to pay for your education is an important decision, and one only you and your family can make. A good education is expensive, but usually worth the investment of time, effort, and money. When you decide to enter the world of credit and finance, you assume new responsibilities, and it is important for you to realize that your loan must be paid back. As with any debt, you are responsible for repaying your loan -- in full -- even if you did not complete school, cannot get a job, or feel you did not receive the educational or other services you purchased. If you do not make your monthly payments as scheduled -- and you do not make any special arrangements with your lender -- your loan will enter default status.

Defaulting on a student loan carries with it very serious consequences. Among those consequences are damage to your credit (preventing you from securing a future loan for a home or car), garnishment of wages and tax refunds, IRS notification, the addition of collection fees and charges to your account, requirement to pay the full balance, and loss of eligibility for future financial assistance.

**The most important step to preventing default is carefully planned borrowing.** In order to borrow responsibly, you should consider several factors. First is your budget—If you have not created a budget, you should spend the time to plan carefully for your needs during the academic year. Second, your resources—Have you considered all possible sources of aid before borrowing? Have you explored educational incentive programs through your employer and scholarship resources outside the school (such as church/synagogue, civic organizations, parents' employers, etc.)? After you have determined your budget and your resources, you may still need to borrow loans to meet the remaining need. **Borrow only what you need—do not borrow in excess of your needs or adjust your budget to accommodate excess loan funds.**

Remember that you will be living on a budget when you leave school, as well. But, after you leave school, your budget will have to account for repaying your student loans, rather than using loans to supplement your needs. **You must understand your responsibilities as a borrower BEFORE YOU BORROW in order to repay your loans successfully.** You should create a realistic budget of your expenses after college. This budget will include savings/investments, rent/mortgage payments, student loan payments, car payments, food/groceries, utilities, taxes, clothing (especially new business clothing expenses you may face when you begin a full-time job), medical and dental insurance, car insurance, renters/homeowners insurance, and social activity expenses. Because student loan payments will be a significant portion of that budget for 10 to 20 years, you must think carefully about how much you will be able to afford to borrow. For your convenience, the chart below shows projected monthly loan payments over 10 years:

<b>Loan Amount</b>	\$23,000.00	\$35,000.00	\$50,000.00	\$60,000.00	\$73,000.00	\$90,000.00	\$100,000.00
<b>Monthly Payment</b>	\$282.10	\$429.28	\$613.26	\$735.92	\$895.36	\$1,103.87	\$1,226.53
<b>Months to Repay</b>	120	120	120	120	120	120	120
<b>Interest Paid</b>	\$10,852.00	\$16,513.60	\$23,591.20	\$28,310.40	\$34,443.20	\$42,464.40	\$47,183.60
<b>Total Paid</b>	\$33,852.00	\$51,513.60	\$73,591.20	\$88,310.40	\$107,443.20	\$132,464.40	\$147,183.60

**Aggregate loan limits are set to protect you. The Office of Financial Aid attempts to assist you in financing your education; however, we also wish to see our students succeed financially after college as well. You have received this form because you have reached your aggregate loan limits. Please be very careful as you proceed with any additional borrowing opportunities.**