

FEDERAL FAMILY EDUCATION LOAN PROGRAMS

Dear Mudder,

Previously, you completed a Federal Stafford Loan Master Promissory Note (MPN) with your lender to apply for your Federal Stafford Loan. That MPN was designed to be the only application and Master Promissory Note for all of the Federal Stafford Loans you will receive while attending Harvey Mudd College. Therefore, you do not need to submit a separate application for your Federal Stafford Loan this year unless your lender no longer participates in the Federal Family Education Loan (FFEL) Program or you have not received a loan disbursement within a year.

Follow these simple instructions to ensure that you receive your loan funds in a timely manner:

- To borrow a different amount than we have offered you, return one signed copy of your Financial Aid Award Letter with your desired loan amount listed in the ["Request changes to your award here"](#) section on the reverse side of the Financial Aid Award Letter. We will then send you a revised Financial Aid Award Letter and certify your desired loan amount.
- If you do not wish to borrow the loan we have offered you, please return one signed copy of your Financial Aid Award Letter with the offered loan listed as declined in the ["Request changes to your award here"](#) section on the reverse side of the Financial Aid Award Letter.

ANNUAL LOAN LIMITS

Under the Federal Stafford (Subsidized and Unsubsidized) Loan Program, the maximum amounts students may borrow per year are as follows:

	Base Amount	Additional Unsubsidized	
	<i>All Students</i>	<i>Dependent Students (EXCEPT students whose parents are denied a PLUS)</i>	<i>Independent Students and Dependent Students whose parents are denied a PLUS</i>
Freshman (first year)	\$ 3,500	\$ 2,000	\$ 6,000
Sophomore (second year)	\$ 4,500	\$ 2,000	\$ 6,000
Junior (third year)	\$ 5,500	\$ 2,000	\$ 7,000
Senior (fourth year)	\$ 5,500	\$ 2,000	\$ 7,000



Beginning July 1, 2009, Federal Stafford Loans are subject to a 0.50 percent origination fee and a federal default fee of up to 1 percent. As for a loan first disbursed between July 1, 2009 and June 30, 2010, the interest rate on Federal Subsidized Stafford loan is fixed at 5.6% percent and Federal Unsubsidized Stafford Loan is fixed at 6.8%. Aggregate Stafford Loan Limits for Dependent Undergraduate Subsidized Stafford Loan is \$23,000 and maximum Subsidized and Unsubsidized Stafford Loan is \$31,000.

For more information on the Federal Stafford Loan program, please refer to our website at www.hmc.edu/admission1/costsandaid1/typesofaid1/educationalloans1/loansforstudents1/federalstaffordloans.html. You may also contact the Office of Financial Aid for more information by email at financial_aid@hmc.edu or by telephone at 909/621 8055 from 8:00 a.m. to 12:00 noon or 1:00p.m. to 5:00 p.m., Monday through Friday.

FEDERAL PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS)

The Federal Parent Loan for Undergraduate Students (PLUS) is an alternative for creditworthy parents of dependent undergraduate students who wish to finance all or part of their family contribution. There is also a PLUS Loan available for graduate and professional students. While HMC parents borrow for a variety of reasons, many parents enjoy the flexibility that the PLUS program provides as it allows them to keep their options open for other financial obligations.

The PLUS program is an excellent low-interest loan alternative to paying for college costs during the academic year. It lowers monthly payments and extends the payment period for educational costs for parents. Creditworthy parents can borrow up to the difference between the Cost of Education and the amount of any financial aid the student is eligible to receive. There is no grace period for a PLUS Loan. Interest is fixed at 8.5 percent and begins to accrue immediately after the first disbursement of the PLUS Loan, and repayment of both the principal and interest begins within 60 days after the final disbursement of the loan. The PLUS Loan is subjected to a 3 percent origination fee and a federal default fee of up to 1 percent. For more information on the PLUS Loan program, please refer to our website at www.hmc.edu/admission1/costsandaid1/typesofaid1/educationalloans1/loansforparents.html.

If your parent is denied a PLUS Loan due to unsatisfactory credit, you are automatically eligible for an additional Unsubsidized Federal Stafford Loan in accordance with your grade level: \$6,000 per year for freshmen and sophomores and \$7,000 per year for juniors and seniors.

If your parent is interested in the PLUS program, the pre-approval form is available online through the lender's website. Refer to our Lender Reference List on our website for assistance in selecting a lender at www.hmc.edu/admission1/costsandaid1/typesofaid1/educationalloans1/lenderreference.html. *Our Lender Reference is a recommendation and you are not required to select a lender from our list. You can choose to use any FFEL Program lender of your choice.*

If your parent intends to apply for a PLUS Loan for the 2009-2010 academic year, please follow these instructions to ensure that the PLUS Loan funds arrive in a timely fashion:

Previous PLUS Borrowers:

1. Your parent will need to submit a pre-approval form which is available online through the lender's website.
2. If your parent borrower previously completed the PLUS Master Promissory Note (MPN), he or she does not need to complete another PLUS MPN, unless he or she wants to change lenders.
3. Your parent will need to complete a Parent Property Lien Statement, which can be downloaded from our website in PDF format at www.hmc.edu/files/admission/LIEN0910.pdf.
4. Once we have received the necessary documents listed above, we will certify your parent's loan information and transmit it to your parent's lender.

New PLUS Borrowers:

1. Your parent will need to submit a pre-approval form which is available online through the lender's website.
2. If your parent has not completed the MPN at HMC previously, then he or she will need to complete the MPN, which is accessible online through the lender's website.
3. Your parent will need to complete a Parent Property Lien Statement, which can be downloaded from our website in PDF format at www.hmc.edu/files/admission/LIEN0910.pdf.
4. If your parent has not received PLUS Loan funds in the past, please have him or her also submit the Parent Authorization of Allowable Charges, available on our website in PDF format at www.hmc.edu/files/admission/AACP0910.pdf.
5. Once we have received the necessary documents listed above, we will certify your parent's loan information and transmit it to your parent's lender.

- ❖ If your parent has borrowed from the PLUS program in the past, we strongly encourage that he or she borrow from the same lender. However, if your parent has not borrowed in the past, please refer to our Lender Reference List on our website at www.hmc.edu/admission1/costsandaid1/typesofaid1/educationalloans1/lenderreference.html. *Our Lender Reference is a recommendation and you are not required to select a lender from our list. You can choose to use any FFEL Program lender of your choice.*