**FEDERAL DIRECT LOAN FACT SHEET 2017-2018**

**HOW DO I APPLY?**

* Complete a **FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)**. The FAFSA can be completed online at *fafsa.gov*.
* First time borrowers will need to complete a **DIRECT LOAN MASTER PROMISSORY NOTE**. You can complete the promissory note online at *StudentLoans.gov* using his/her FSA ID, which is made up of a username and password. If you do not already have a FSA ID, you can create one when logging in to *StudentLoans.gov*. Boston University will be notified within 3-5 business days that you have completed your promissory note online. **Failure to complete the promissory note requirement will result in cancellation of the loan.** Continuing students who are prior Federal Direct Stafford Loan borrowers will not need to complete a new promissory note.
* If you are a first time borrower, federal regulations require you to complete an **ENTRANCE COUNSELING SESSION** prior to the crediting of loan funds to your student account. The entrance counseling session provides information on your rights and responsibilities as a borrower of a Federal Stafford Loan. You may fulfill this requirement online at *StudentLoans.gov*.
* Students must apply for the Federal Stafford Loan as well as complete the promissory note and entrance counseling requirements at least two weeks before the end of the academic period. Federal legislation prohibits Boston University from certifying a federal loan after the academic period has ended.

**WHEN WILL THE LOAN FUNDS BE AVAILABLE TO ME?**

* Once your loan has been approved by the Direct Loan Federal Processor, you will receive a disclosure statement detailing the amount of your loan and when your funds will be credited to your account electronically. An origination fee of 1.066 percent is set by the U.S. Department of Education and is deducted from loans with first disbursement dates on or after October 1, 2017 and before October 1, 2018. This fee is deducted automatically from amounts borrowed. This the net amount disbursed is less than the loan amounts approved.
* Funds cannot be disbursed until the entrance counseling and promissory note requirements have been fulfilled.
* If there is a credit balance on your account after the loan funds are credited, you may request a refund. Federal legislation requires that all Direct Loans (unsubsidized *& graduate PLUS*) be disbursed in two equal installments unless at least one half of the loan period has passed when your loan is processed. The second disbursement cannot be made until halfway through the loan period.