

FEDERAL STAFFORD LOAN STUDENT REPLY FORM INFORMATION AND INSTRUCTIONS, 2006-2007

Federal Stafford Loans are the U.S. Department of Education's major form of self-help aid. A **subsidized** loan is awarded on the basis of need (as defined by Congress), and recipients are not charged interest before beginning repayment. An **unsubsidized** loan is not awarded on the basis of need, and recipients are charged interest from the time the loan is disbursed until it is paid in full. For new Stafford Loans disbursed July 1, 2006 or later, the interest rate will be a fixed rate of 6.8 %. **This rate change became effective after the "Undergraduate Need-Based Aid for 2006-2007" brochures were printed.** Therefore, the rate information listed above is accurate and not in the brochure. The interest rates on existing Stafford Loans are not affected by this rate change and will remain the same. Lenders may deduct a fee of up to 4 percent from each disbursement.

Steps required to receive a Federal Stafford Loan are:

- ◆ File a 2006-2007 Free Application for Federal Student Aid (FAFSA).
- ◆ Complete the back of this form (please read carefully the steps below) and return it to the Office of Student Financial Aid.
- ◆ ***If you are a new Stafford Loan borrower at Wake Forest University, visit the web site www.mapping-your-future.org to complete an entrance loan counseling session.***
- ◆ If you are a new Stafford Loan borrower, complete and submit to your selected lender a master promissory note (MPN) [either an electronic MPN through the lender's web site or a paper MPN mailed to you by the lender].
- ◆ Complete an exit loan counseling session prior to leaving the University (withdrawal, transfer, graduation, or dropping below half-time attendance).

To complete the back of this form:

Determine the **full annual amount** you wish to borrow **for both the fall and spring semesters**, not for just one term (unless you will only be enrolling for one term during the academic year). If you wish to borrow less than the maximum(s) shown on your award letter, write in that amount. Federal regulation requires disbursement in at least two installments for annual loans. These installments come near the start of each semester. For one-semester loans, there will be one installment which will also come near the start of the indicated semester.

Select a lender. Lenders provide information through their web addresses and toll-free numbers. **Careful selection is critical** because the typical lender-student relationship lasts fifteen years. Lender discounts and incentives vary.

Option #1: Unless you already have a relationship with a different Federal Stafford Loan lender, we strongly suggest that you select an Option #1 lender to fund your loan. Electronic processing and disbursement is the simplest, most efficient, and fastest way to secure your loan. These lenders are our preferred lenders because (1) each offers fee and/or interest rate reduction options to make the loan less expensive than those of most other lenders, (2) each sends loan proceeds electronically, and (3) each provides high-quality customer service to the student borrower and the school.

Option #2: If selecting, you must contact your lender **each** year to receive a paper School Certification Form, and then complete and mail it to the Office of Student Financial Aid along with the **full name, mailing address, and lender code** of the chosen lender. We will manually process your loan request and send it to the lender's processing center. Manual certifications take longer to process and are not tracked by Wake Forest through the approval and disbursement process. These lenders are usually more expensive and may send loan proceeds by check that must be endorsed by the student, which requires extra effort on the part of the student and causes a delay in crediting the student's account.

Inform us of your Federal Stafford Loan decisions by returning the back of this form to us. **You must inform us if you do NOT want the Federal Stafford Loan(s) offered. If you wish to decline the entire amount(s), enter \$0 as the amount requested. If we do not receive a reply within 30 days, we will assume that you DO want the entire award amount(s) and prefer College Foundation as your lender. Additional aid received at a later date may change the amount of your loan eligibility and/or the amount subsidized.** At Wake Forest University, loan processing to lenders will begin after June 20 for the 2006-2007 award year.

Thank you for your attention to this information; please feel free to contact us with questions.

(over, please)

FEDERAL STAFFORD LOAN STUDENT REPLY FORM, 2006-2007

Students wishing to secure a Federal Stafford Loan (subsidized and/or unsubsidized) should complete this form and return it to the Office of Student Financial Aid. If you have questions, please call (336) 758-5154.

Student's Printed Name

WFU ID#

AMOUNT REQUESTED, if less than award letter amount \$ _____
If you will be enrolled for one term and wish to use the Stafford Loan for that term ONLY, please indicate which term _____

Please select one of the following options:

OPTION #1: PREFERRED LENDERS

_____ I request that a Federal Stafford Loan for 2006-2007 be processed for me using my selected lender below. If I have not previously completed a Master Promissory Note, I will submit one *directly to the lender*.

___ College Foundation (code: 807037)	(866) 866-2362	http://www.cfnc.org/
___ Citibank (code: 826878)	(800) 967-2400	http://www.studentloan.com
___ College Board / Sallie Mae (code: 830310)	(800) 831-5626	http://www.collegeboard.com/pay/loan_center
___ Wachovia (code: 830005)	(800) 338-2243	http://www.wachovia.com/education

OPTION #2: MANUAL CERTIFICATION

_____ I have **attached** a Federal Stafford Loan School Certification Form for 2006-2007 from a lender of my choice, and wish to have it processed **manually**. I have completed questions 1 – 9 on the Certification Request Form. In addition, I have provided the **full mailing address** for the form to be forwarded after school certification. I recognize that this manual process takes **longer** to complete; that it is **more difficult** to track throughout the application, approval, and disbursement processes; that this lender may be **more expensive** than Wake Forest University's preferred lenders; and that the loan proceeds will be sent by check that must be endorsed, which requires **extra effort** on my part.

FIRST TIME BORROWERS please read and initial the following statement:

_____ I understand that I **MUST** complete the Federal Stafford Loan entrance counseling Session at www.mapping-your-future.org, required by the federal government, **before** my Stafford Loan can begin to be processed by Wake Forest University. I also understand that if I do not complete the entrance counseling, my Stafford Loan may be cancelled.

Student's Signature

Date Signed