

## 2006 - 2007 UMBC Federal Stafford Loan Online Application Process

### What is a Federal Stafford Loan?

1. Federal Stafford Loans are the Department of Education's major form of self-help aid for students. They are borrowed by the student through the Federal Family Education Loan (FFEL) Program and may be in the form of [subsidized loans](#), [unsubsidized loans](#) or a combination of both. In order to be eligible for a Stafford Loan, students must file a 2006-2007 Free Application for Federal Student Aid (FAFSA) with the U.S. Department of Education at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).
2. Students must also register for at least 6 credits each semester as an undergraduate student and 24 units as a graduate student by the add/drop deadline, as well as maintain satisfactory academic progress.
3. A Financial Aid Award Notification from the Office of Financial Aid and Scholarships provides an estimated maximum eligibility for the Stafford Loan. If the student wants a Stafford Loan, he or she then needs to specifically apply.

### How do I apply for a Federal Stafford Loan?

1. New students apply for a Federal Stafford Loan online and complete the **Master Promissory Note (MPN)** using one of UMBC's preferred lenders listed on UMBC's web site at [www.umbc.edu/financialaid/question3.html](http://www.umbc.edu/financialaid/question3.html). Completion of the MPN allows student loan borrowers to receive multiple Federal Stafford Loan disbursements over a maximum ten-year period without requiring a new promissory note each time the borrower is approved for a loan at UMBC.
2. New students then complete the **Online Loan Entrance Counseling** located on UMBC's web site in the Stafford Loan section. After completion, follow the instructions to go back to the home page so that UMBC receives the counseling interview. Federal law requires completion of online loan entrance counseling for all new students before loan funds can be disbursed.
3. The maximum loan amount will be awarded based on each student's loan eligibility for the academic year. Maximum amounts are listed online at [www.umbc.edu/financialaid/question2.html](http://www.umbc.edu/financialaid/question2.html) and are subject to [cost of attendance](#), financial need (Subsidized Stafford), dependency status, grade level, enrollment status, and other educational aid resources.
4. Students who wish to receive less than their eligible maximum amount should complete a Loan Exception Form available in the UMBC Office of Financial Aid and Scholarships.

### If I am transferring to UMBC from another college, what steps do I need to take?

1. Complete the MPN and Online Loan Entrance Counseling as mentioned in the prior section.
2. **Cancel** all loans and other aid at the prior institution that cover the period of desired enrollment at UMBC.
3. Notify lender(s) or loan servicer(s) of the decision to transfer to UMBC.

### What happens next?

1. The lender may require additional information before the loan can move forward. Provide this information to the lender as requested.
2. The lender reviews the loan request and sends it electronically to UMBC.
3. Student data from the MPN is then provided by the lender to UMBC for loan eligibility review and certification of the maximum eligibility amount.
4. Loan funds are sent electronically via a process called "Electronic Funds Transfer" (EFT) to the UMBC Bursar's Office (Student Billing) and are subject to combined origination fee and guarantee fee **up to 3%**. The gross certified loan amount is reduced by the amount of the loan fees resulting in the lower net

disbursement amount. All loan funds will be sent to UMBC in **two equal disbursements**. Loan disbursement delivery date may occur **as early as 10 days prior to the first day of the enrollment term** or any week thereafter, depending on receipt date of the valid 2006-07 FAFSA, receipt date of required file documents, student's loan request date, semester registration date, and/or date of UMBC certification.

5. Loan funds received via EFT are credited to the student's account. Loan funds that cannot be credited are returned to the lender. See "What Would Hold-Up Delivery of My Loan Funds?" below. Reissued loan funds take approximately six weeks. If the loan disbursement amount exceeds direct UMBC charges for the loan period, the balance is refunded to the student. The UMBC Bursar's Office (Student Billing) processes refunds through the State Treasury Office and refund checks are mailed to the student.

### What if I want to take a summer class?

You must complete the [Summer 2006 Financial Aid Request](#) form, a separate application form, for the summer session. Separate loan eligibility requirements apply to the summer session. Loans cannot be processed for the winter session.

### What if I use a non-preferred lender?

UMBC highly recommends selecting one of our preferred lenders for a smooth and seamless process. Students who do not select a UMBC preferred lender may need to complete additional lender paperwork, may not have the benefit of electronic (EFT) loan funds disbursement, and will experience additional processing time and potential disbursement delays. If a student borrowed previously at another school and that lender is not listed on UMBC's online preferred lender list at [www.umbc.edu/financialaid/question3.html](http://www.umbc.edu/financialaid/question3.html), contact that non preferred lender and advise the lender to contact Electronic Loan Management (ELM), at 1-888-633-3356 or via email at [helpdesk@elmresources.com](mailto:helpdesk@elmresources.com) for UMBC processing instructions.

### What would hold up delivery of my loan funds?

1. The valid Master Promissory Note required by your selected lender has not been completed.
2. Online Entrance Loan Counseling has not been completed.
3. Enrollment status indicated reduced/withdrawn or below half time when loan funds are disbursed (half time is: **6 credits** for undergraduate students, **24 units** for graduate students).
4. Overlapping/conflicting loan period due to incomplete transfer process for transfer students.
5. Failure to maintain Satisfactory Academic Progress as outlined in the UMBC Catalog.
6. Federal loan default after the loan is processed.

### How do I check on the status of my loans?

1. To check the status of your loans and expected disbursement dates, visit [www.elmresources.com](http://www.elmresources.com).
2. To check the status of your disbursed funds, visit your [myUMBC](#) account.
3. To check the status of a refund, visit [www.umbc.edu/bursar/](http://www.umbc.edu/bursar/) and click on "refunds" or call the Bursar's Office (Student Billing) at 410-455-2288.