The University of Maine at Fort Kent is committed to providing you with information to make wise decisions regarding borrowing to cover your educational costs. Please review this information carefully before you decide to borrow for your educational expenses. More detailed loan information is also available from UMKF’s website at: www.umfk.edu/financialaid/loans. All Student loans must be repaid with interest, so do not borrow any more than you truly require.

**STUDENTS AND PARENTS MAY BORROW TO COVER DIRECT AND INDIRECT EDUCATIONAL COSTS.**

Before applying for a loan, review your financial aid package (also available online in MaineStreet) and your direct and indirect costs at: www.umfk.edu/tuition. Direct costs are those for which you will be billed by the University (for instance, tuition) and indirect costs are costs we estimate you will incur and pay yourself (for instance, transportation costs.) In addition to or in combination with borrowing, school payment plans are available, allowing you to make monthly payments rather than borrowing. More information is available from the campus website under Business Office or contact them at: 207-834-8650.

**EDUCATION LOANS ARE A SERIOUS MATTER**

While educational loans will enable you to make a valuable investment in your future, they are also a serious undertaking. You need to carefully consider whether to borrow and how much to borrow. Do not borrow more than you truly need. With Direct Loans, if you decide to take less than the full amount you are eligible for and find later in the school year that you need more, if you remain eligible, you may be able to request additional loan funds. Also, it is important to know that Direct loans can be reduced or cancelled and funds returned. Contact the financial aid office for more direction.

There are tools provided with these loans, like deferment and forbearance, to help you manage repayment. Pay careful attention during Entrance Counseling to learn your rights and responsibilities as a borrower. You can also get detailed information about Direct (Stafford) loans at: http://studentaid.gov.

If you default on your school loans, you cannot receive any type of further federal student aid and the default will be reported by the lender to credit agencies affecting your ability to receive other forms of credit as well. Contact the U.S. Dept. of Education at 1-800-4-aideid if you are in default or if you have questions regarding the status of past loans. Additional help to resolve certain issues may be available at: http://studentaid.gov, search Ombudsman.

To view all of your federal loans go to: http://studentaid.gov. (Your FSA ID and password are required. Create a FSA ID online at: fsaid.ed.gov)

**DIRECT LENDING UNDERGRADUATE LOANS FOR STUDENTS**

To be considered for a student Direct loan, a student must be enrolled for 6.0 credits or more.

**General Direct Loan terms:**

As of July 2020, interest rates are as follows:

- **Subsidized Direct Loans**: 2.75%
- **Unsubsidized Direct Loans**: 2.75%

**Maximum Annual Student Amounts are based on credits earned:**

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<thead>
<tr>
<th></th>
<th>Maximum Annual Student Amounts</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td><strong>Revised</strong></td>
<td><strong>Dependent</strong></td>
<td><strong>Independent</strong></td>
</tr>
<tr>
<td>Freshman (0-23 credits)</td>
<td>$5,500</td>
<td>$9,500</td>
<td></td>
</tr>
<tr>
<td>Sophomore (24-53 credits)</td>
<td>$6,500</td>
<td>$10,500</td>
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</tr>
<tr>
<td>Junior (54-83 credits)</td>
<td>$7,500</td>
<td>$12,500</td>
<td></td>
</tr>
<tr>
<td>Senior (84+ credits)</td>
<td>$7,500</td>
<td>$12,500</td>
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*Base amounts of $3,500, $4,500 and $5,500 can be either subsidized or unsubsidized, based on calculated need. The remainder is Unsubsidized.

For **Subsidized loans**, the U.S. Government pays the interest while the student is in school (and enrolled for 6.0 credits or more). Repayment begins 6 months after dropping below half time, which is less than 6 credit hours in a semester. Interest begins to accrue beginning with the first day of the six month grace period.

For **Unsubsidized loans**, the student is responsible for the interest beginning the day the loan is disbursed, and you may either pay as you go along, or let it add up and be capitalized (added to the principal) when the loan goes into repayment.

When applying for loans it is recommended to take some time to review available information to help you make an informed decision on how much money will be needed. When requesting a loan amount to borrow, remember to request enough money to cover the cost of two semesters/one academic year.

Once you have completed the three steps below, and have enrolled and the semester has begun, money for the loans will be disbursed starting one week before the term begins. This money will be posted as a payment on your student account. (Details in Maine Street.) If your semester payments to your account exceed your semester charges, a refund may be issued. Other conditions may apply. A refund will be paid to you either by direct deposit or by check from UMKF, unless you make a request to the UMKF Business Office in writing to hold the overage in your account for future charges. Refunds can be used to pay back balances. (Details available in Maine Street.)

For students who have completed the application process, loan funds are disbursed in two halves and applied to the student’s bill/account half each semester. On time applications and eligible students will have loan funds disbursed to their student account ten days prior to the first day of class for each applicable semester. Disbursed funds can be viewed in MaineStreet.
HOW DO I ACCEPT A STUDENT DIRECT LOAN OFFER?
In order to receive a loan offer from the school, there are three things you need to do, each of which is explained in detail below. More information and a step by step application process is also available at the campus website at: www.umfk.edu/financialaid/loans- under “Direct Loans”.

DETAILS FOR THE Student LOAN APPLICATION PROCESS:

STEP ONE: INFORM UMFK THAT YOU WANT THE LOAN and HOW MUCH YOU WANT TO BORROW
On your Award Notice, we told you the maximum amount you can borrow, based on all the financial aid information we knew about you on the date of the notice and based on an estimated full-time enrollment and class level. You may borrow all, some, or none of this money.

There are two ways to notify us that you want the loan and how much. You can log onto MaineStreet, go to: Student Self Service, Student Center, Finance, Accept/Decline Financial Aid. Here you can accept your loans online. Or you may return the paper acceptance copy of your Financial Aid Award Notice. In either case, let us know how much you want to borrow, up to the maximum indicated in your Award Notice.

STEP TWO: COMPLETE AN ENTRANCE COUNSELING SESSION
If this is your first-time borrowing a Direct Loan, you must complete the Entrance Counseling session. Here you will learn about your rights and responsibilities in regards to the LOAN money you are borrowing. Complete this process online at https://studentaid.gov. (Your FSA ID and password are required. Create a FSA ID at: fsaid.ed.gov.)

If you have already completed an Entrance Counseling, you can skip this step. However, if we are requesting that you complete an Entrance counseling, please notify us that it has already been completed.

STEP THREE: COMPLETE THE MASTER PROMISSORY NOTE (MPN)
A Promissory note is your promise to pay back the loan funds, that you are borrowing, according to the terms of the note.

If this is your first Direct Loan from Direct Lending, you will need to complete the Master Promissory Note (MPN). You may complete this process at: https://studentaid.gov. (Your FSA ID and password are required. Create a FSA ID at: fsaid.ed.gov.)

If you have already completed a student Direct Loan MPN, you can skip this step. However, if we are requesting that you complete a MPN, please notify us that it has already been completed.

We will be notified electronically when you have completed Step 2 and Step 3 successfully and we will remove the Entrance and MPN checklist items in your “To Do List” in your Student Center in MaineStreet. Loans can only be processed once all steps of the application process are completed. Loans normally take one to two weeks to process.

Plus Loan for Parents - The Direct Lending Program provides for a loan directly to the parent borrower, called the DIRECT PLUS loan, for parents of dependent students.

Unlike the student Direct Loans, these loans require that the borrower have no adverse credit. The interest rate as of July 2020 is 5.3%. Repayment may begin immediately or deferment of repayment is available on request to the lender while the student is in school. Parents may borrow up to the full Cost of Attendance for the student, minus other financial aid. Like the student loans, PLUS funds are sent to the school. Loan funds are disbursed in two halves and applied to the student’s bill/account half each semester. Disbursed funds can be viewed in MaineStreet. Any average will be refunded. Parent borrowers can choose to have the overage (refund) given to the student, themselves, or can request in writing that the University place the overage of funds on the student’s account for future use.

If the parent of a dependent student is denied the ability to borrow because of credit issues, the parent borrower may use an endorser OR the student may be eligible to borrow additional unsubsidized Direct Loan funds up to the (loan) amount listed above for an independent student. If this additional funding is desired, a written request from the student to the Financial Aid Office is required, along with the PLUS loan denial letter from the Department of Education.

WHERE CAN I FIND MORE INFORMATION?
Go to: www.umfk.edu/financialaid/loans/parent-plus

HOW DOES A PARENT APPLY?
First review the Cost Chart provided at: www.umfk.edu/tuition to help you establish an estimated academic year school cost. Consider the financial aid offered. Determine if there is sufficient aid to cover the anticipated cost or if you will need to borrow. Borrow only what is needed.

There are THREE steps to the Plus Loan application Process:

STEP ONE: Tell us who you are and how much you want to borrow:
• Print the UMFK Plus application from online at: www.umfk.edu/financialaid/loans/parent-plus and return the completed form to the Financial Aid Office. (Note: A new application is required for EACH year you want to borrow.)
• When requesting a loan amount to borrow, remember to request enough money to cover two semesters/one academic year.

STEP TWO and THREE: COMPLETE A PLUS LOAN REQUEST FORM and MASTER PROMISSORY NOTE (MPN) online at: https://studentaid.gov. The “loan request” is to request a loan and a credit check and must be completed EACH year you want a loan. The PLUS MPN is your promise to repay the loan according to the terms of the note. The MPN only needs to be completed once for the first-time parent borrower for this particular student at UMFK. If an Endorser was used on your MPN, you will need to complete a MPN EACH year. (Your FSA ID required and can be created at: https://studentaid.gov.)

For More Information Regarding Loans and a complete list of your rights and responsibilities as a borrower, contact the Financial Aid Office or go online to: www.studentaid.gov.

Exit Counseling is required at the time a student loan borrower leaves school (or drops below 6.0 credits hours). The session will provide student with important tools and helpful information regarding the loan repayment process. The Exit session can be completed online at: umfk.edu/financialaid/exit-counseling, or https://studentaid.gov.

UMFK CONTACT INFORMATION:
University of Maine at Fort Kent
Financial Aid Office
23 University Drive
Fort Kent, ME 04743
Tel: 207-834-7605
Fax: 207-834-7841
Financial Aid Website: www.umfk.edu/financialaid
Email: umfkaid@maine.edu
Billing/Business Office: Tel: 207-834-8650
Federal Student Aid Information Center: 1-800-433-3243

UMFK PORTAL LOCATION:
Campus Website: www.umfk.edu, select "MY UMFK" (Top left)
LOGGING INTO MAINESTREET:
Student will use their UMFK campus Email ID and Password
LOCATION OF MAINESTREET:
www.umfk.edu and login to MY UMFK Portal (Top left of screen)
www.umfk.edu/mainestreet
CONTACT: DIRECT LENDING/DEPARTMENT OF EDUCATION
Website: www.ed.gov
Tel: 1-800-557-7394 (for parent/student borrowers)

OTHER USEFUL INFORMATION LINKS:
https://studentaid.gov (FAFSA, Entrance/Exit Counseling/MPN)
https://www.mappingyourfuture.org
https://fsaid.ed.gov - to apply for a FSA ID.

In complying with the letter and spirit of applicable laws and in pursuing its own goals of diversity, the University of Maine at Fort Kent does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin or citizenship status, age, disability or veteran’s status in employment, education and all other areas of the University. The University provides reasonable accommodations to qualified individuals with disabilities upon request. Questions and complaints about discrimination in any area of the University should be directed to the University of Maine System Equal Opportunity Director, 207-581-5857, TTY 207-834-7466, or the Maine Human Rights Commission at: 207-624-8729 or via email: maine.gov/mhr.

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