



# REED COLLEGE

FINANCIAL AID OFFICE | 3203 SE WOODSTOCK BLVD | PORTLAND OR 97202-8199  
PHONE: 503/777-7223 | FAX: 503/788-6682 | EMAIL: FINANCIAL.AID@REED.EDU

## 2006-07 Federal Stafford Loan Confirmation Form

**Follow these steps if you are a student applying for a Federal Stafford Loan.**

1. Complete and return this form to the Financial Aid Office.
2. If you are a first time borrower or are changing lenders you must also sign a Master Promissory Note (MPN) with your chosen lender. Links to electronically sign your MPN with one of our recommended lenders can be found at: <http://web.reed.edu/financialaid/>. If you do not wish to sign your MPN online, your lender will mail you a paper MPN after your loan has been processed by the financial aid office.
3. If you are a first time Federal Stafford Loan borrower at Reed, complete the online entrance counseling at [http://web.reed.edu/financialaid/loan\\_counseling.html](http://web.reed.edu/financialaid/loan_counseling.html).

Student Name: \_\_\_\_\_

Reed ID: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Federal Stafford Loan Amount Requested (for 2006-07): \_\_\_\_\_  
*(If you wish to borrow more than the amount listed on your award announcement or letter of eligibility, please contact the financial aid office.)*

Type of Loan Requested – please check choice(s):  
*(See info sheet for information on subsidized and unsubsidized Federal Stafford Loans)*

Subsidized and/or  Unsubsidized

Federal Stafford Loan Lender Name (please check one):

My lender for 2005-06 (continuing students only)

Citibank

National Education

Wachovia Education Finance (formerly Educaid)

Wells Fargo

Other lender: \_\_\_\_\_

Lender Code: \_\_\_\_\_

Student Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Please return this completed form to:**

Office of Financial Aid • Reed College • 3203 SE Woodstock Blvd • Portland, OR 97202-8199

# 2006-07 Federal Stafford Loan Confirmation Form

## Choosing a Lender

Choosing a lender is an important decision. You are beginning a relationship with a loan provider that works with you for many years through the life of your loan. It is important to recognize that different lending organizations offer different levels of service and benefits. By doing your homework now, you may be able to save money down the road—by choosing a lender that helps you borrow responsibly, receive interest rate savings during repayment, and manage debt successfully.

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### Q & A

**Q:** Are student loans different than other banking consumer loans and services?

**A:** Yes, Federal Stafford Loans are regulated by the federal government; therefore they are handled independently of other banking services. Although student loans are a good way of establishing your personal credit record, they do not help with the approval of other types of consumer loans in the future.

**Q:** What is a servicer?

**A:** Servicers are organizations that maintain the borrowers loan account records such as payment, updates, deferment and forbearance. In addition, the servicer provides information about your loan status, balance and school enrollment. Some lenders service your loan while you are in school, and then have an outside servicer take over the loan when you are in repayment.

**Q:** What else should I know before I choose a lender?

**A:** Take your time and make an informed decision. You should never borrow more money than is absolutely necessary to cover the cost of your education and expenses. The money you borrow today can affect your financial future, so it is important to choose a lender that will help you manage debt successfully so you can reach your financial goals later on.

**Q:** How does repaying my loan help me in the future?

**A:** By taking steps to understand your student loan, you develop habits now that protect your credit in the future. Maintain contact with your lender and update them if your in-school status changes or if you're unable to make your monthly payment. By repaying your loan, you keep your credit in good standing and you also make loans available to others who wish to pursue an education.

**Q:** What are borrower benefits?

**A:** Borrower benefits are repayment incentives that save you money on your loan. Lenders offer different types of loan benefits such as cash rebates and interest rate reductions. Carefully review these benefits to make sure you get the maximum benefit value over the life of your loan.

**Q:** Can certain loan programs save you money?

**A:** Yes. Choosing the right lender can save you hundreds or even thousands of dollars once your loan enters repayment. Because lenders offer different borrower benefits, it is important to choose the lender that offers the best incentives for you. Research each lender you are considering and compare their benefits, look at their websites and carefully evaluate their value to you over the life of the loan.

**Q:** Do all lenders offer the same loans?

**A:** No. Student loan programs are regulated by government policies, but within these policies lending organizations have the flexibility to offer different benefits and services to borrowers. Some lenders offer only Subsidized Federal Stafford Loans, which are based on financial need. Other lenders offer a variety of loans which are not based on financial need, such as Unsubsidized Federal Stafford Loans, Federal PLUS Loans, and alternative loans designed to cover education costs. In addition, many lenders offer Federal Consolidation Loans which allow borrowers in repayment to consolidate their payments into one lower monthly payment and extend their repayment period.

**Q:** Should I use one lender for all of my student loans?

**A:** Yes. Using a single lender will make repayment easier for you. If you change lenders during school, you could end up making multiple payments instead of just one. Also, if you stay with one lender you will not need to sign a new promissory note each year.

**Q:** Will your lender sell your loans?

**A:** Some lenders sell their loan to relend the money to future borrowers. This can impact borrowers in repayment and affect their benefits. Some lenders do not sell their loans, so borrowers stay with the same entity they initially borrowed from.