



Coast Guard Mutual Assistance

Stafford/PLUS Loan Origination Fee Refund

CGMA offers help to clients and their families who finance post-secondary education through the Federal Stafford Loan or the Federal Parent Loan for Undergraduate Students (PLUS), by *refunding the 3% loan origination fee*. The lender ordinarily deducts this fee from the loan amount before disbursing the loan funds. After confirming use of the loan, CGMA will reimburse the dollar amount of the loan origination fee to the client.

Stafford and PLUS loans are made available through one of two programs:

The Federal Family Education Loan (FFEL) Program, or

The Federal Direct Student Loan (Direct Loan) Program (*sometimes referred to as the William D. Ford Direct Loan Program*)

The major difference between the two programs is in the source of funding. Under the FFEL Program, the money is borrowed from a private lender. Under the Direct Loan Program, money is borrowed directly from the federal government.

The school determines which program to use. Some schools participate in the FFEL Program while others participate only in the Direct Loan program.

To obtain a Federal Stafford or PLUS loan, follow the guidelines in the U.S. Department of Education Student Guide, available from your school financial aid office, through the internet at <http://www.ed.gov/studentaid>, or by writing to the Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044-0084

Eligibility:

Federal Stafford Loan Program: All CGMA clients¹, on behalf of themselves or their eligible family members². The student must be enrolled at least half-time in a participating post secondary educational institution.

Federal PLUS Loan Program: All CGMA clients who have dependent undergraduate children enrolled at least half time in a participating post secondary educational institution

Eligibility for the refund is based on the client's and the student's status as of the first day of the course for which assistance is requested.

Clients may apply for a refund of the loan origination fee at the end of each academic term for which a Stafford or PLUS loan was disbursed to the student's account. Refund applications must be submitted within 12 months after the date the loan funds are disbursed.

Eligibility does not extend to CGMA members who are currently delinquent in repaying any CGMA loan or who appear on the CGMA Restricted List.

¹ All CGMA clients means all active duty and retired Coast Guard military personnel, members of the Coast Guard Selected Reserve, retirement eligible members of the IRR, Coast Guard permanent and term civilian employees, Coast Guard Auxiliary members, U.S. Public Health Service officers serving with the Coast Guard, and un-remarried widowed spouses and dependent children of military personnel or civilian employees who were eligible for assistance in their own right at the time of their death.

² Eligible family members include the CGMA client's spouse and dependent children, that is children who are under 23 years of age, unmarried, not service-members, and who rely on the CGMA member for over half of their support.

Stafford/PLUS Loan Origination Fee Refund Cont'd

To apply:

Complete the Application for Stafford/PLUS Loan Origination Fee Refund, CGMA Form 8, and attach the following documents:

- A copy of the Notice of Loan Guarantee and Disclosure Statement (FFEL Program) or the "Notice of Loan Disbursement" (Direct Loan Program) from your lending institution
- An account statement **received or obtained from the school at the end of academic term**, showing deposits to the student's school account for that term
- A legible copy (front and back) of CGMA client's valid Coast Guard ID

Note: the school account statement must be dated later than 14 days after the school sends the mandatory written notice that they have credited the student's account with the Stafford or PLUS funds.

Mail the entire package to:

Coast Guard Mutual Assistance
4200 Wilson Blvd
Suite 610
Arlington, VA 22203-1804

Or Fax it to (202) 493-6686.

Please keep a copy of the completed application and other documents for your records

More Information:

For more information on Federal Student Loans, including current interest rates and the maximum amounts allowed for the Stafford loan, contact your school's Financial Aid Office, call the U. S. Department of Education Federal Student Aid Center at (800) 433-3243 (TTY users dial (800) 730-8913), or visit the Department of Education Website: www.ed.gov/studentaid.