Jack Kent Cooke Foundation

FAQs - Forgivable Loan Program

Q: Why is there a loan component to the Jack Kent Cooke award?

A: In certain circumstances, a loan component may be included in the Cooke award when a school limits the amount of scholarship money that organizations can give as a direct scholarship payment. This is generally either because of school policy or because schools will not allow an outside scholarship to cover the Expected Family Contribution (EFC) and/or the student contribution as a direct scholarship payment. If outside scholarships are not allowed to cover the EFC, typically scholars and/or their parents will take out federal loans to cover the EFC. The Cooke Forgivable Loan Program will repay the federal loans if scholars graduate with at least a "B" average in the degree completion timeframe established by the Foundation.

Q: How will I know whether or not I should take out a loan?

A: The Cooke Foundation notifies all scholars of their award. For scholars eligible to participate in the forgivable loan program, the notification will specifically state the amount of the federal loan to take out. Additionally, attachments will be included with the notification that provides detailed instructions about how to take out the loan and what documentation must be sent to the Foundation.

Q: Will I receive anything in the mail?

A: No, once the Cooke Foundation notifies you, the scholar, of eligibility to participate in the forgivable loan program, you must log into CAP to review, *accept, partially accept, or decline* the loan forgiveness offer and digitally sign the loan agreement letter(s). The loan agreement letter(s) must be reviewed, digitally signed and returned to the Cooke Foundation by the specified deadline date. Failure to return the loan agreement letter(s) may result in the forfeiture of eligibility to have the loans repaid upon graduation.

Q: Is there a maximum loan amount?

A: The loan component is part of the $40,000 Cooke award yearly maximum. In addition, schools limit the maximum amount that the Cooke Foundation can award so that scholars are not overfunded. Scholars will be notified of the amount they can take out in a loan. This is considered the individual loan maximum. Scholars who take out more than what the Cooke Foundation approves will be required to repay the excess amount, plus accrued interest, after they graduate.

Q: What types of loans are eligible?

A: Only federal loans backed by the U.S. Department of Education are eligible for the Cooke Forgivable Loan program. They include the federal Direct subsidized loans, federal Direct unsubsidized loans, parent PLUS loans and Perkins loans. Any other loans are ineligible, and if taken out by you or your parents, must be repaid by you and/or your parents.

Q: How do I apply for the loan?

A: You must apply for the loan through your school. The Cooke Foundation does not provide loan funding. Your financial aid officer will assist you with the loan application process. Remember that any loans taken out for more than the approved amount as stated in the Cooke loan agreement letters must be repaid by you and/or your parents.

Q: If a parent PLUS loan is recommended for my parents, how does that work?

A: A Parent PLUS loan agreement form will be added to your To Do List in CAP. This form, like the Cooke Scholar loan agreement form, must be reviewed and accepted, partially accepted or declined. You are asked to enter your parent's/guardian's contact information and submit the form to the Foundation by the requested deadline date. Once the submitted form has been received, the Foundation will review and an email requesting your parent's digital signature will be sent directly to the parent. Parents will work with the college's financial aid office to take out the loan.

Q: What if my parents' loan is denied?

A: If your parents are denied the ability to take out a parent PLUS loan, please contact the Cooke Foundation. Generally when this happens, scholars are able to take out a greater federal Direct loan amount. The Foundation will work individually with scholars when this happens.

Q: Can scholars and/or their parents take out loans in a lesser amount than what is stated in their letters?

A: Yes, loans in a lesser amount can be taken out. Through CAP, you will indicate that you "partially accept" the loan and enter the dollar amount that you accept.

Q: What is a master promissory note and what do I do with it?

A: When applying for a loan the first time, you will be required to complete entrance counseling (a tool to ensure students understand their obligation to repay the loan) and sign a master promissory note agreeing to the terms of the loan. You do not need to send a copy of the promissory note to the Cooke Foundation. However, you should retain it for your records.

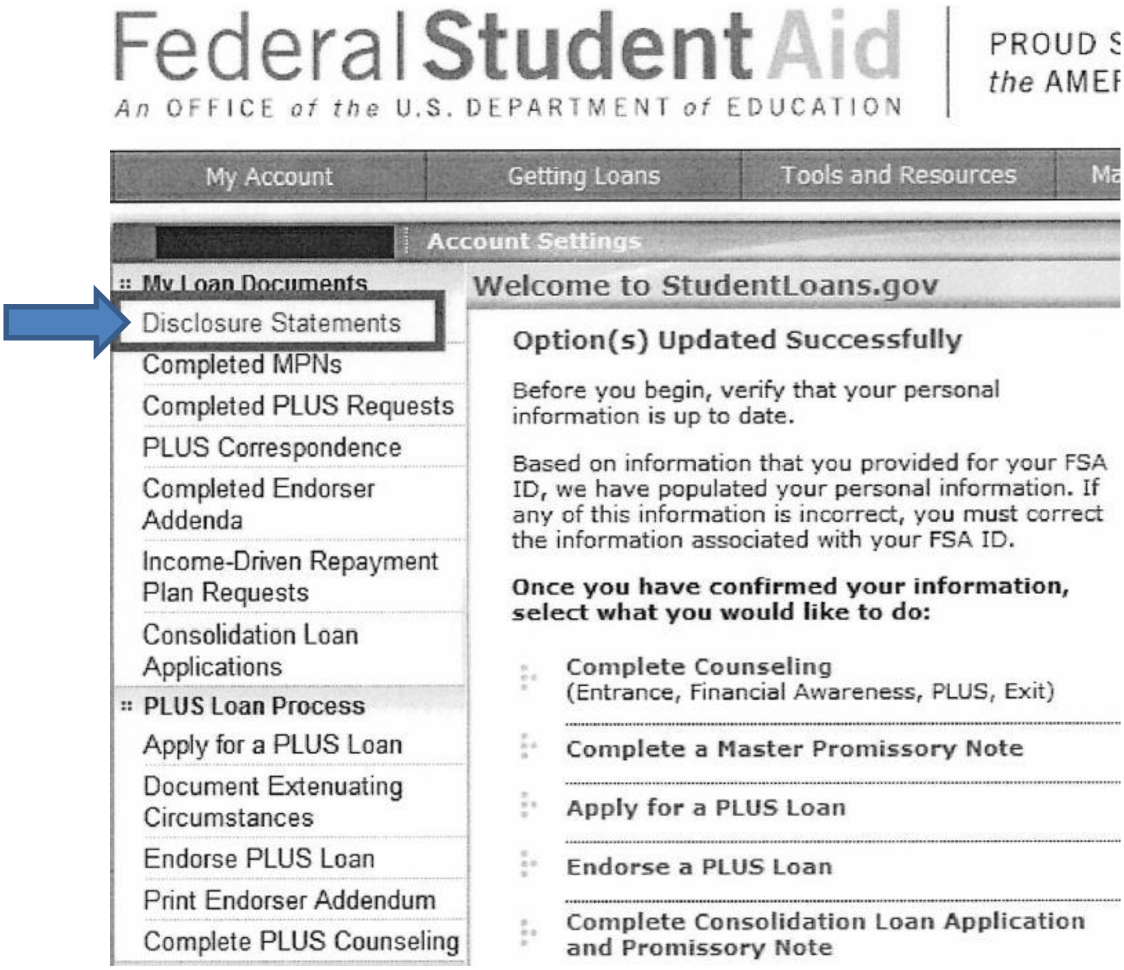
Q: How are loan funds paid?

A: The U.S. Department of Education disburses loan funds to schools for deposit into students' accounts. Like scholarship and grant funding, schools will first apply loan funds to student accounts to pay for tuition, fees, on-campus room and board and any other billed charges. If a credit balance results after scholarship, grant and loan funds are applied to a student's account, then the school usually disburses excess funds to the student. Please work with your school to understand the process and timing for receiving any excess funds.

Q: What is a loan disclosure statement and what do I do with it?

A: Each year, when a federal loan is taken out, students and/or parents will receive a loan disclosure statement that states the amount of the loan, interest rate information and other details. (A sample loan disclosure statement will be emailed to scholars when they are notified of their Cooke award.) The loan disclosure statement is generally available to students and parents around the time that funds are sent to the school in the fall.

Scholars are required to upload into CAP their loan disclosure statement(s) by the stated deadline. If parents have taken out a PLUS loan as a part of the Cooke loan forgiveness program, they may email their loan disclosure statements to the Cooke Foundation at finances@jkcf.org by the stated deadline date. Disclosure statements are available after the U.S. Department of Education disburses loan funds to the school. They may be obtained by logging in to www.studentloans.gov and clicking the available year via the left navigation link (see below).



Q: **What are the requirements for the Cooke Foundation to pay my loans off after I graduate?**

A: Scholars must graduate with a "B" average or better within four years of matriculation (or a shorter or longer period as approved by the Cooke Foundation). In addition, scholars must be in good standing with the Foundation.

Q: **Is there documentation I must send in following my college graduation in order to have the loan(s) paid by the Cooke Foundation?**

A: All graduating scholars participating in the Cooke Loan Forgiveness Program must send in a final official transcript. Getting this official transcript is an important step for initiating loan repayment. The transcript must include:

- final cumulative GPA,
- date the degree is awarded and
- degree that is received (e.g., Bachelor of Science, Bachelor of Arts, etc.).

Approximately three months after graduation, and upon receipt of a final transcript, the Cooke Foundation will send specific instruction for submitting a loan payoff statement from the loan servicer. You must follow these instructions and meet the applicable deadline dates.