

WHAT IS A FEDERAL DIRECT LOAN?

Direct Loans are available to eligible students (*with a complete Financial Aid file*) through the federal government to help pay for educational expenses. The Department of Education issues Federal Direct Loan funds after approval from the college.

A **Subsidized loan** is awarded on the basis of financial need. If you qualify, the federal government pays interest on the loan (“subsidizes” the loan) until you begin repayment and during authorized periods of deferment.

An **Unsubsidized loan** is not awarded strictly on the basis of need. If you qualify for an Unsubsidized Loan, **you will be charged interest from the time the loan is disbursed until it is repaid in full.**

REQUIRED DOCUMENTS FOR FEDERAL DIRECT LOANS **This form must be returned to the CCCC Financial Aid Office.*

FIRST-TIME BORROWERS: Complete **Entrance Counseling** and a **Loan Agreement (MPN)** at www.studentloans.gov.

STUDENTS WITH PREVIOUSLY BORROWED LOANS: A student with valid Entrance Counseling and an unexpired Loan Agreement (MPN) on file with Department of Education are encouraged (not required) to resubmit these documents.

150% DIRECT SUBSIDIZED LOAN LIMITATIONS

Federal law limits eligibility for subsidized loans to 150% of the length of the student’s declared academic program. The new limitation affects new borrowers or borrowers whose loans were paid off in full prior to receiving loans on or after July 1, 2013. Once a borrower has reached the 150% limit and has not finished their educational program, they will lose the interest subsidy for subsidized loans. The interest will begin to accrue effective the date of continuing of new enrollment. Unpaid interest will be capitalized (added to the loan principal balance) at repayment.

For example: *An associate degree (2-year program length) has a maximum of 3 years subsidized eligibility.
A certificate (1-year program length) has a maximum of 1.5 years subsidized eligibility.*

ORIGINATION FEES & REPAYMENT

Origination fees are assessed by the Department of Education for each loan disbursement. Contact the office for current origination fee amounts. Repayment is not required until after the student graduates, withdraws, or is no longer enrolled in at least 6 credit hours.

CCCC has partnered with Inceptia, a division of National Student Loan Program (NSLP), to provide you with FREE assistance on your Federal student loan obligations to ensure successful, and comfortable, loan repayment. For additional resources including information on repayment options, please visit Inceptia's Student Loan Knowledge HQ website at HeroKnowl.org.

SINGLE TERM LOANS

Loans requested for a single semester must be disbursed in two equal disbursements, with one disbursement being after the halfway point of the semester. If a single term loan will be disbursed after the halfway point of the semester, the loan may be disbursed fully at the next available disbursement.

SEMESTER AND DISBURSEMENT INFORMATION

Disbursement occurs when financial aid funds are applied to the student account. If the financial aid disbursement is more than the charges on the student account, the student will receive a refund. **Below are scheduled refund dates for 2018-2019.** (There may be additional disbursements available for students whose financial aid was not completed prior to the deadlines for the scheduled disbursements listed below.)

Fall 2019 Refund Dates

August 21, 2019 through December 12, 2019

Spring 2020 Refund Dates

January 22, 2020 through May 14, 2020

Friday September 27, 2019	16-week classes, 1st session classes	Friday February 28, 2020
Friday September 27, 2019	Single Term 1st Disbursement	Friday February 28, 2020
Friday October 18, 2019	Single Term 2nd Disbursement	Friday March 27, 2020
Friday November 1, 2019	2nd session classes	Thursday April 9, 2020

Federal Direct Loan Request Form

BORROWER INFORMATION

Last Name	First Name	SSN
CCCC ID#	Phone number (with area code)	Graduation Semester and Year

**THIS IS A LOAN THAT MUST BE PAID BACK WITH INTEREST
PLEASE BORROW RESPONSIBLY!**

*All students are eligible to request up to the Annual Limit as an Unsubsidized loan but
Subsidized Loan Eligibility is determined by Need calculation through the FAFSA application process.*

	Credits Earned/Passed	Dependent Student <i>Subsidized + Unsubsidized</i>	Independent Student <i>Subsidized + Unsubsidized</i>
First Year (Freshman)	0-29	\$3,500 + \$2,000 = Annual Limit \$5,500	\$3,500 + \$6,000 = Annual Limit \$9,500
Second Year (Sophomore)	30+	\$4,500 + \$2,000 = Annual Limit \$6,500	\$4,500 + \$6,000 = Annual Limit \$10,500

The Parent PLUS Loan Application (for parents of dependent students) is available at www.studentloans.gov
Additional unsubsidized funds are available for dependent students whose parents do not qualify for PLUS funds

I wish to request \$ _____ for the following semester(s)

- Fall 2019/Spring 2020 Fall 2019 only* Spring 2020 only*

Loan will be split equally semesters *See reverse side for additional information about Single Term Loans

Check HERE if you do NOT wish to be considered for an UNSUBSIDIZED loan.

Student Certification:

- I acknowledge that I have completed the ****REQUIRED**** Entrance Counseling at www.studentloans.gov.
- I acknowledge that I have completed the ****REQUIRED**** Loan Agreement (MPN) at www.studentloans.gov.
- I understand that I must be enrolled in a minimum of 6 Financial Aid Eligible credit hours each semester in order to be eligible for any Direct Loans.
- I understand that my loan disbursement will be applied to my educational charges at Cloud County Community College before I receive a refund from my loan.
- I understand that delayed disbursements and refunds occur for classes that begin after the initial semester start date.
- I understand that my Financial Aid Eligible hours of enrollment and expected graduation date may affect my loan eligibility.
- I understand that my financial aid (scholarships, grants, loans, payments made by third parties) cannot exceed my cost of attendance and that the Financial Aid Office will notify me of any revisions made to my request/awards.

I have read the 2019-2020 Federal Direct Loan Request Form completely and certify that I acknowledge the information contained within. I understand that loan funds are to be used for education-related expenses and must be repaid regardless of the outcome of my education.

Borrower's Signature _____ Date _____