

## **BRTC Loan Policy**

Effective Spring 2014

Students who wish to borrow funds from the William D. Ford Federal Direct Loan Program should be aware of the following federal regulations:

### **ANNUAL STAFFORD LOAN LIMITS**

	DEPENDENT <u>Subsidized &amp; Unsubsidized</u>		INDEPENDENT <u>Subsidized &amp; Unsubsidized</u>	
Freshman	\$3,500	\$2000	\$3,500	\$6,000
Sophomore	\$4,500	\$2000	\$4,500	\$6,000

**STEP 1:** *Entrance Loan Counseling* is required to be completed ONLY once under the Direct Lending program. Returning borrowers who have borrowed through BRTC's previous loan program should also complete it at [www.studentloans.gov](http://www.studentloans.gov)

**STEP 2:** The *Master Promissory Note* or *MPN* is required after submitting your Data Form/loan request to the FA Office. To complete an MPN online, you will be required to use your Department of Education-issued PIN that you used to complete your FAFSA. You must complete the Promissory Note via electronic signature at the following web address [www.studentloans.gov](http://www.studentloans.gov) .

\* If you do not have a PIN or do not remember yours, you may request one from <http://www.pin.ed.gov/PINWebApp/pinindex.jsp>.

- All borrowers must complete the Free Application for Federal Student Aid (FAFSA) before loan eligibility can be determined.
- Students must be enrolled in *at least 6 credit hours* to be eligible for a student loan. A student will be certified for a loan ONLY for the hours enrolled that are within the his/her degree plan.
- Students may qualify for a *subsidized* loan (interest-free during enrollment) and if not, a student will qualify for an *unsubsidized* loan. **Note: Those receiving Pell should qualify for a subsidized loan.**
- Every loan must be delivered in two equal disbursements per semester. The second disbursement will be delivered after the midpoint of the semester.
- For students enrolled in 4-week classes, if you are enrolled in at least 6 credit hours but less than 6 hours have actually begun, you will not be eligible for your first loan disbursement until you have *begun attendance in at least 6 credit hours*.
- First-time borrowers who are first-time entering students must wait thirty (30) days after the semester begins to receive the first disbursement.
- All borrowers must complete an exit loan counseling session prior to graduation, if he/she ceases to be enrolled at least half-time, or upon termination of enrollment at [www.studentloans.gov](http://www.studentloans.gov)
- All borrowers should understand that class attendance through the 60% point of the semester is **mandatory** under the Federal Title IV Funds regulation. If a borrower quits attending or withdraws before that point, he/she may owe a refund to BRTC and/or the U.S Dept. of Education for funds received that were not earned.
- As of July 1, 2013, all first time borrowers who qualify for subsidized loans will no longer be eligible for that type of loan if the borrower exceeds 150% of the published length of their program. Please refer to the link for further information: [http://www.nasfaa.org/advocacy/News/Limiting\\_Subsidized\\_Loan\\_Eligibility\\_to\\_150\\_of\\_Program\\_Length\\_What\\_You\\_Need\\_to\\_Know.aspx](http://www.nasfaa.org/advocacy/News/Limiting_Subsidized_Loan_Eligibility_to_150_of_Program_Length_What_You_Need_to_Know.aspx)

**\*\*\* Our office will process loan refunds twice a month and notification will be sent to students by letter and email once the refunds are processed and mailed. \*\*\***

Revised 1/11/14