

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				
	<u>DEPENDENT</u>		<u>INDEPENDENT</u>	
	<u>Subsidized & Unsubsidized</u>		<u>Subsidized & 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

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 .

* 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>.

3. All borrowers must complete the Free Application for Federal Student Aid (FAFSA) before loan eligibility can be determined.
4. 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.
5. 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.**
6. Every loan must be delivered in two equal disbursements per semester. The second disbursement will be delivered after the midpoint of the semester.
7. 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.*
8. First-time borrowers who are first-time entering students must wait thirty (30) days after the semester begins to receive the first disbursement.
9. 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
10. 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.
11. 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

***** 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