



## 22-23 Direct Loan Application

At Terra State Community College (TSCC), we take loan borrowing seriously. In those cases where borrowing is necessary, we want to make sure that our students are informed borrowers.

You will receive an Award Letter from the Office of Financial Aid at Terra State Community College that outlines your entire financial aid eligibility. That letter will indicate if you are eligible for a federally backed loan. After you have enrolled in at least 6 credit hours and in courses that are within your program for the term, you will need to follow the instructions outlined below to apply for a loan.

### **Loan Processing and Disbursements:**

Loans will be certified for the lesser of the amount requested or for the amount of your eligibility. All funds will be applied to your TSCC account. Any outstanding tuition/fees or housing costs will be deducted from your loan prior to any disbursement. You **MUST** be enrolled in at least 6 credit hours in order to receive your loan. If you drop/withdraw from classes before it has been disbursed and you are no longer enrolled in at least 6 credit hours, your loan will be returned to the Department of Education.

If you are a first-time borrower, Federal Regulations require that we not disburse your funds until at least 30 days after the start of the term.

All loans requested are applied to the student account to cover the Fall and Spring term, unless the student is enrolled in Summer courses. Then the loan will be applied to the account for Summer/Fall/Spring.

All loans are disbursed in two payments. A Fall/Spring loan will have one disbursement during each semester. A one semester loan will have two disbursements during the term.

Refunds are issued no later than two weeks after you see the funds appear on your student account. You can monitor this by reviewing your account in Banner Self-Service.

**You have 14 days after the loan is applied to your account to reduce or cancel your loan.** To do so, just contact the TSCC Office of Financial Aid.

**Subsidized vs. Unsubsidized Loans:**

The big difference between a subsidized loan and an unsubsidized loan is “who’s paying the interest?”.

The U.S. Department of Education pays the interest on a Direct Subsidized Loan:

- while you are in school at least half-time,
- for the first six months after you leave school (referred to as a grace period\*), and
- during a period of deferment (a postponement of loan payments).

For an unsubsidized loan, you as the borrower are responsible for paying the interest during all periods of the loan.

**Annual Loan Limits:**

The U.S. Department of Education establishes annual loan limits. Please see below:

	Base	Additional Unsubsidized
<b>Dependent Students</b>		
Freshman	\$3,500	\$2,000
Sophomore	\$4,500	\$2,000
<b>Independent Students</b>		
Freshman	\$3,500	\$6,000
Sophomore	\$4,500	\$6,000

Freshmen are students with 29 or less accumulated credit hours.

Sophomores are students with 30 or more accumulated credit hours.



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If you wish to receive a federal student financial aid loan, please complete and sign this form. You should then submit the form to the TSCC Office of Financial Aid for processing.

Please ensure you have completed the following steps:

Student Name: \_\_\_\_\_ T# \_\_\_\_\_

Anticipated Graduation Date: \_\_\_\_\_ Phone # \_\_\_\_\_

Loan Amount Requested: \$ \_\_\_\_\_.

Subsidized loans will be certified prior to any unsubsidized loan amount. We will certify an unsubsidized loan IF you are not eligible for a subsidized loan or your requested loan amount exceeds your subsidized loan eligibility.

### **Loan Check List:**

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- 1) Perform Entrance Counseling: All students who are borrowing for the first time since attending TSCC must complete Entrance Counseling. This can be accomplished by visiting [studentaid.gov](http://studentaid.gov) and logging in using the same information used in completing your FASFA.

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- 2) Complete a Master Promissory Note (MPN): The MPN can be completed by visiting [studentaid.gov](http://studentaid.gov). This document is like the documents you may have signed when obtaining a car loan or a mortgage. This document is your promise to abide by the rules surrounding the loan and your pledge to repay the loan under the outlined conditions.

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- 3) Complete the TSCC Federal Loan Application: Complete the following form and return it to the TSCC Office of Financial Aid for processing.

By signing this document, I acknowledge that I am applying for a loan and I will be responsible for repaying this loan.

Borrower Signature: \_\_\_\_\_ Date: \_\_\_\_\_