FEDERAL DIRECT LOAN PROGRAM

To apply for a student loan, you must meet the following criteria:

- In addition to having filled out a FAFSA (Free Application for Federal Student Aid), you must have a completed file in the Financial Aid Office. A file is complete when all required documents have been received. This includes verification worksheets, tax transcripts, etc.
- Official transcripts must be received and evaluated from all colleges previously attended. You must have met SAP (Satisfactory Academic Progress), meaning that you completed 75% of the courses you attempted with a 2.0 GPA in the semester prior to the one for which you are requesting a loan. You must also have a cumulative 2.0 GPA.
- You must be enrolled at least half-time (6 semester hours).
- If you drop below 6 semester hours at any time during the semester, any remaining disbursements will be cancelled.
- Student Loan disbursements will also be cancelled if your GPA is not above a 2.0 and/or you do not meet SAP (75% of classes completed with a 2.0 GPA).

Federal Direct Loan Program

- You can apply for a federal student loan online at https://www.midland.edu/forms/finaid/application/.
- After it has been determined that you are eligible for a student loan, you will receive a notification letter from the Financial Aid Office, which will also inform you of when you are scheduled to attend a mandatory group session or phone interview on Direct Loans.
- Requirements to receive your first disbursement:
  - Attend a mandatory counseling session regarding Direct Loan information, outlining the responsibilities of taking out a federal loan and repayment options. If you live out of town, please contact the Financial Aid Office to set up a phone appointment.
  - Entrance Counseling—an online session and quiz found at https://studentloans.gov discussing your financial obligations and the seriousness of taking out a student loan; Midland College requires that you complete Entrance Counseling each academic year.
  - Sign your MPN—the Master Promissory Note is your promise to the federal government to pay back the money you are borrowing for school; Midland College requires that you sign an MPN each academic year on https://studentloans.gov.
- Student Loans will be released in 2 equal disbursements each semester. The first disbursement will occur after 30% of the semester has passed and the 2nd disbursement will be released after 60% of the semester has passed. The disbursement dates for Fall 2014 are September 24, 2014 and October 29, 2014. For Spring 2015, they are February 11, 2015 and March 25, 2015.
Yearly loan limits:
- Freshman, 0-29 credits, maximum yearly limit of $3,500 in subsidized loans
- Sophomore, 30-59 credits, maximum yearly limit of $4,500 in subsidized loans
- Juniors and Seniors, 60+ credits, maximum yearly limit of $5,500 (BAT Students Only)

Interest Rates: Federal student loan interest rates are regulated by Congress, so they could be subject to change each academic year.
- Direct Subsidized Loans—Fixed at 4.66% for loans first disbursed between July 1, 2014 and June 30, 2015
- Direct Unsubsidized Loans—Fixed at 4.66% for loans first distributed between July 1, 2014 and June 30, 2015

Exit Counseling—Once a student withdraws from Midland College, drops below six hours minimum enrollment or graduates, they are required to complete Exit Counseling, an online session found at https://studentloans.gov. This counseling session is a great tool to help in your understanding of repayment options and what you can do if you are struggling to make payments.
- If you do not complete the Exit Counseling in a timely fashion, a hold will be placed on all of your records at Midland College, including your transcript.

If you have a student loan, you have the right to cancel all or a portion of the loan within 14 days of disbursement by contacting the Office of Financial Aid.

Midland College will submit all Federal Direct Loans to the National Student Loan Data System (NSLDS), which will be accessible to authorized users of the data system.

Parent Direct PLUS Loan
- Available for parents or step-parents of dependent students to cover school costs, less any other financial aid awarded to the student for the academic year.
- Requirements for applicant (parent/step-parent) eligibility to receive first disbursement:
  - Student must have a completed FAFSA and financial aid file, including verification and tax documents (if required) in the Financial Aid Office
  - Parent/step-parent must pass a credit check after filling out the Direct PLUS loan request found at https://studentloans.gov. You must use your FAFSA PIN to log in to the website
  - Schedule an appointment with the Student Loan Coordinator by calling 432-685-4693
  - Complete Entrance Counseling and sign the Master Promissory Note at https://studentloans.gov
- The interest rate for the Parent Plus Loan is fixed at 7.21% for loans first distributed between July 1, 2014 and June 30, 2015. Interest rates are regulated by Congress, so this rate is subject to change each academic year.
- Federal law requires certain fees be charged for each loan made. Those fees consist of an origination fee and a federal default fee. The law specifies that the maximum amount of each
fee is to be deducted from the loan amount. Fees charged to the borrower are deducted from the loan proceeds when the money is sent to the student’s school. For PLUS loans, the fee is now 4.288% of the principal amount of the loan.

- PLUS Loans will be released in 2 equal disbursements each semester. The first disbursement will occur after 30% of the semester has passed and the 2nd disbursement will be released after 60% of the semester has passed.
- Parents may choose to start repaying the loan 60 days after the date of the last disbursement or they can defer payments until 6 months after the student ceases to be enrolled in 6 hours. In addition, the interest that accrues can either be paid by the parent monthly, quarterly, or be capitalized quarterly.
- Midland College will submit all Federal Direct Loans to the National Student Loan Data System (NSLDS), which will be accessible to authorized users of the data system.

**Alternative Private Loans**

- If you are not eligible for a Federal Direct Loan, you also have the option of taking out a private loan from a qualified lending company.
- These loans are not part of the federal government loan programs—they are credit-based and may require a cosigner.
- Interest rates are variable and may depend on your credit rating or that of your co-signer. Private loans are generally more expensive than federal guaranteed loans, so it is important to research which one suits your needs best and only take one out after all other options have been exhausted.
- A student can borrow up to the cost of attendance minus other financial aid awarded for the loan period, which is certified by the school before the first disbursement is made.

**Resources:**

- Fill out your FAFSA first! [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- Complete the Online Loan Application for Midland College: [https://www.midland.edu/forms/finaid/application/](https://www.midland.edu/forms/finaid/application/).
- Check the amount you owe for federal loans and who your servicers are: [www.nslds.ed.gov](http://www.nslds.ed.gov).
- Complete Entrance and Exit Counseling, sign your MPN, fill out a Parent Plus Loan Request, learn about repayment options for your loan: [https://studentloans.gov](https://studentloans.gov).