

Please be certain to read and understand the following statements. Several factors could potentially affect your eligibility for Federal Direct Loans. It is crucial you understand these items to minimize the chance of delays in the awarding process.

LOAN TYPES

There are two types of Federal Direct Student Loans.

The **Subsidized loan** is a need-based loan and the government will pay the interest while in school attending six or more credit hours, during my grace period, and during any periods of deferment.

The **Unsubsidized loan** is not need-based. Interest will accrue from the time of disbursement.

If undergraduate loans for a dependent student are not meeting my educational costs, a parent may be eligible to apply for a Parent PLUS Loan by completing a PLUS Application, PLUS Request Form, a Master Promissory Note, and PLUS Counseling (if applicable), obtaining a preapproval (including a credit check) from the Department of Education.

If the PLUS Loan preapproval is denied, up to an additional \$4,000 Unsubsidized Direct Loan may be requested by submitting an additional Loan Request form. Proof of PLUS denial must be provided with the Loan Request Form and given to the Office of Financial Aid.

APPLICATION AND ELIGIBILITY REQUIREMENTS

I must meet all of the following federal student aid eligibility requirements to receive Federal Direct Loans:

_____ Complete and submit a Loan Request for to Edison State's Office of Financial Aid

_____ Complete the Entrance Loan Counseling for an undergraduate student, if this is my first federal student loan

_____ Complete a Master Promissory Note (MPN) before I can receive loan funds. In most cases, once signed, the MPN is valid for a maximum of ten years.

_____ Enroll in at least half-time (six or more credit hours) and remain enrolled in that minimum. If I drop below half-time or withdraw from all classes before my funds have been disbursed to me, I will likely not be qualified to receive any funds and the loan will be cancelled.

_____ Not in federal educational loan default or federal educational grant overpayment. If one of these two is my current status, I must contact my loan servicer (default) or the Department of Education . The contact information for the laan servicer and grant overpayment can be found on www.studentaid.gov .

ACKNOWLEDGEMENT

_____ If changes are made on my FAFSA or if my status changes from that reported on my original application forms, I understand that my awards may be adjusted or canceled pending review.

_____ This is a loan that must be repaid when I graduate, or if I withdraw and/or drop below six credit hours or fail to begin attendance at six or more credits. Failure to begin attendance in six credits may cause immediate repayment.

PRIORITY DEADLINE

In order to meet the Priority Deadline date, Edison State must receive my FAFSA and all necessary documents (including the loan request, loan counseling, and Master Promissory Note.) If I was selected for verification, all necessary documents must also be submitted by these dates. The Priority Deadline dates are listed in the Financial Aid Handbook, which is available on the Financial Aid website.

By meeting the Priority Deadline date this ensures my financial aid will be in place before the payment due date. If I miss the Priority Deadline date and my aid is not processed by the payment due date, I may still apply for aid. However, I am responsible for contacting the Business Office to make payment arrangements to ensure I remain registered in classes.

LOAN AMOUNTS/LOAN ELIGIBILITY

I will need to estimate the cost for tuition, lab fees, books, and supplies to determine how much I will need to borrow for the terms for which I wish to borrow. I can estimate my education cost in the following manner:

Tuition can be estimated by multiplying the number of anticipated credit hours by the current per credit hour charge <http://www.edisonohio.edu/How-Much-Does-It-Cost/>;

Other course fees can be found in the online catalog <https://catalog.edisonohio.edu/content.php?catoid=28&navoid=5036>;

Book and supply costs can be found in the course catalog and at the bookstore link through eCampus on the Edison State website.

Edison State Community College determines the amount of my loan based on a review of my educational costs, family contribution (as determined by the FAFSA), and other financial aid received or expected, such as third party contributions (including scholarships, employer reimbursement, etc.), tuition waivers, work-study, alternative education loans, state vocational rehabilitation, or veterans benefits.

Federal annual loan limits are based in part on grade level and dependency status. Loan limits are subject to change per federal regulations. The current federal annual loan limits are as follows:

<p>Grade Level 1 – Independent Student \$3,500 Subsidized Direct Loan (SDL) \$6,000 Unsubsidized Direct Loan with full SDL \$9,500 Unsubsidized Direct Loan if no SDL eligibility</p>	<p>Grade Level 2 – Independent Student \$4,500 Subsidized Direct Loan (SDL) \$6,000 Unsubsidized Direct Loan with full SDL \$10,500 Unsubsidized Direct Loan if no SDL eligibility</p>
<p>Grade Level 1 – Dependent Student \$3,500 Subsidized Direct Loan (SDL) \$2,000 Unsubsidized Direct Loan with full SDL \$5,500 Unsubsidized Direct Loan if no SDL eligibility Parent Loan (PLUS)</p>	<p>Grade Level 2 – Dependent Student \$4,500 Subsidized Direct Loan (SDL) \$2,000 Unsubsidized Direct Loan with full SDL \$6,500 Unsubsidized Direct Loan if no SDL eligibility Parent Loan (PLUS)</p>
<p>Grade Level 1 = 0 – 29.99 completed or transferred in credit hours</p>	<p>Grade Level 2 = 30+ completed or transferred in credit hours</p>

I understand there are many variables in determining eligible loan amounts (i.e. cost of attendance, EFC, other aid received, etc.) The Office of Financial Aid will determine the actual amount of my loan based on my eligibility.

I understand my student loan funds must be divided equally among the terms for which I choose to borrow.

EXAMPLE			
Amount Requested		\$6000	
Terms Selected	Fall/Spring		
Amount Awarded	Fall	\$3000	
	Spring	<u>\$3000</u>	
Loan Total		\$6000	
Amount Requested		\$6000	
Terms Selected	Summer/Fall/Spring		
Amount Awarded	Summer	\$2000	
	Fall	\$2000	
	Spring	<u>\$2000</u>	
Loan Total		\$6000	

I understand my student loan funds must be multiply disbursed if I borrow a one-term loan. The second disbursement must fall after the middle of the loan period (semester). I understand that if I am a first-year, first-time borrower, my first disbursement will not be released until after 30 days into the semester.

The Department of Education limits the total annual amount a student may borrow each aid year. If I borrow the annual loan limit at any time during this period, I will not be eligible to borrow again for the remainder of the aid year. The financial aid year applies to the Summer, Fall, and Spring semesters. The new aid year begins each Summer. Loans may be subject to origination fees. I am aware that origination fees reduce the net amount of the loan that I will receive.

TRANSFER

If I transferred to Edison State from another institution, any loan borrowed while attending that institution during the same aid year may reduce the federal annual loan limit available during my attendance at Edison State. Loans do not transfer from one institution to another. I must, upon transfer, request Edison State to process a student loan. Any pending disbursements at another institution must be cancelled before eligibility at Edison State will be determined. I understand it is my responsibility to contact the other institution. A new MPN is required for every institution attended. Entrance Loan Counseling can be sent to ESCC through studentaid.gov.

OPTIONS FOR CHANGES OR CANCELLATIONS

I can decrease my loan amount or loan period prior to disbursement of the loan by contacting the Office of Financial Aid in writing via Edison State email or submission of a Request for Change in Aid form. I have the right to cancel all or part of my Federal Direct Loan prior to receiving loan funds. I understand I will receive a 14-day opportunity-to-cancel notice prior to disbursement. I further understand any requests for changes to my loan amount must occur within those 14 days. To increase my loan, I must submit a new Loan Request Form.

DISBURSEMENT

To be eligible to receive a loan disbursement, I must be officially enrolled in a degree-seeking program or eligible one-year certificate and be attending at least six credit hours. Loan eligibility will be reviewed prior to loan disbursement. Loan refunds will be made to me only after all charges on my account have been satisfied. My loan refund will be mailed by the Business Office within 14 calendar days after my loan has been posted to my student account.

EXIT LOAN COUNSELING

I must complete the Loan Exit Counseling online when I withdraw, drop below six credit hours, or graduate from Edison State Community College. Exit Counseling can be completed at www.studentaid.gov.

MONITORING YOUR LOAN BALANCE

I understand it is recommended to monitor my student loan balance on the Student Aid website, www.studentaid.gov. This provides a centralized, integrated view of Title IV loans and grants that are tracked through their entire cycle; from aid approval through closure. I can use the web site to make inquiries about my Title IV loans and/or grants. The site displays information on loan and/or grant amounts, outstanding balances, loan statuses, and disbursements.

I understand I need to keep copies of information pertaining to my Federal Direct Loans and may visit www.studentaid.gov to view all my Federal Student Aid awarding information.

AGGREGATE (LIFETIME) BORROWING LIMITS

I understand that there is a limit to the total amount of loan money I can borrow in my lifetime for up to a Bachelor's Degree. These are the aggregate loan limits as follows:

Student Type	Subsidized Maximum	Combined Subsidized & Unsubsidized Maximum
Dependent Undergraduates	\$23,000	\$31,000
Independent Undergraduates	\$23,000	\$57,500