

South Arkansas Community College Federal Direct Loan Policy

- 1. To obtain a Federal Direct Student Loan, a borrower must:
 - Complete the Free Application for Federal Student Aid (FAFSA <u>www.fafsa.gov</u>) and complete his/her Financial Aid File to ensure that all sources of non-repayable aid have been explored.
 - Loans for all students will go through the U.S. Department of Education Direct Loan Program
 - If this is your first loan at SouthArk, complete the Entrance Interview at: <u>https://studentaid.gov/entrance-</u> counseling/, (click "I am an Undergraduate Student")
 - Complete the Student Loan Application & Certification Form (on back). <u>Also read and sign this Federal</u> <u>Direct Loan Policy and return this form to the Financial Aid Office.</u>
- 2. First year, First Time Borrowers (students with less than 30 cumulative credit hours completed): first year, first time borrowers may not collect the proceeds of their first loan disbursement until 30 days after the beginning of the class day of their first semester of enrollment at SouthArk.
- 3. Reduce/Refusal of request: The Financial Aid Office reserves the right to certify a loan amount less than requested by the student or to completely refuse to certify the loan. Also, the student has the right to decline or reduce any loan funds that are certified.
- 4. Award Letter: After you receive notification via e-mail that your loan has been awarded, you must log into your MyFinAid Account in order to actively accept/decline your specific loan award.

Read and Sign below:

I understand that Federal Direct Loan funds are Federal funds. In order to be eligible, I must be seeking a degree, enrolled in at least six credit hours and be meeting SouthArk's Satisfactory Academic Progress Policy. All the policies and procedures for Federal Aid also apply to Federal Direct Loans. Federal Loan funds do have restrictions on their usage. Loan funds must be used for education expenses only, such as tuition, fees, books, room and board, etc. I understand that I must complete the FAFSA and loan packet each academic year in order to apply for loan funds.

I understand that in order for SouthArk to certify my loan request, I must also complete a Master Promissory Note (MPN) if I have not done recently. The MPN can be found at <u>https://studentaid.gov/mpn/.</u> I must follow the instructions in order to complete the e-signature process. Failure to e-sign the MPN could result in a delay in processing this loan request and/or receipt of funds.

I understand that the loan proceeds will be disbursed in at least two disbursements. I will receive a disclosure statement that notifies me of my anticipated loan disbursement dates. The first disbursement will be early in the semester and the second will be no earlier than the 50% point of my period of enrollment that I selected on the reverse of this form. A Notice of Disbursement Memo will be sent to me with the specific amount and date of the disbursement. It is my responsibility to check in the business office (Admin Building Suite 206) **no earlier than** 5 to 7 business days <u>after</u> **my specific disbursement date noted on the memo** to inquire about any refund.

I understand that once the school has received my loan funds, I <u>MUST</u> be attending <u>AND</u> participating at least half-time (**6 hours**). Failure to either attend/participate half-time or to pick up my loan funds will cause them to be returned.

Signature (Typed signatures are **not** acceptable)

Date

South Arkansas College Student Loan Application & Certification Form

| Name:Last | SouthArk Student ID: | | | | |
|---|---|-------------------|---------------------------|--|--|
| Last | First | Midd | lle | | |
| Permanent Address: | | | | | |
| | | Street/ | Box | | |
| City | | State | | | Zip Code |
| Contact Telephone #: (|) Date of Birth: | | | | |
| If this is your first https://studentai | | t SouthArk, you | 1 <u>must </u> com | nplete a Master Promisso | ory Note (MPN) at: |
| • | t loan for this acaden DUNSELING at: <u>ht</u> f | | / | SouthArk, you <u>must</u> also <mark>ance-counseling/.</mark> | complete the |
| *** | ***** | ***** | ***** | ***** | ÷ |
| I request the following ac | lditional loan type(s) | ; to the extent I | am eligib | le: | |
| Subsidized | d (the government pa | nys the interest | while you | are in school) | |
| unsubsidiz | zed (if you are not el zed loan where <u>you p</u> <i>on</i> Capitalization of I | bay the interest | | an you may be eligible fo hool) | or an |
| Specific Amount Reques | ted: \$ | | | | |
| Freshman (0-29 hours comp Sophomore (over 30 hours | | | | | |
| Loan Period Of Enrolln | nent (You must be enr | olled in AT LEA | ST 6 credit | t hours): | |
| Fall '23 & Spring '24 (Amount requested will b split between Fall & Spr | be and the second se | nly | Spring '2 | (X ON | er '24 LY if you have ered for Summer '24) |
| Loan funds <u>always</u> come to <u>halfway</u> through the <u>loan pe</u> | | disbursements. | The 1 st is at | the beginning of the <u>loan</u> | period & the 2 nd is |

*If you request an unsubsidized loan, you will have the option, on your MPN or by contacting the Department of Education, of selecting whether or not you would like to pay the interest that accrues or having it capitalized (adding it back to the amount you borrowed).

I have read the given information and understand the Federal Direct Loan procedures.

Signature (Typed signatures are **not** acceptable)