

## OFFICE OF FINANCIAL AID

### Student Loan Information Sheet

This information is provided to you if your enclosed award letter from the College included a loan award.

A student loan is a financial obligation of the borrower to the lender. You must repay the loan. The different loan programs have different features.

To have the loan award on your award letter processed, you must do the following.

1. You must complete and return the Direct Loan Request Form, which can be printed by logging into your Student Interact Account, Click on Financial Aid Requirements and follow the link to print the Direct Loan Request Form.
2. All first time loan borrowers must complete the online entrance counseling by logging on to <https://studentloans.gov/>. You will log in using your FSA ID Username and Password.
3. All first time loan borrowers must complete the electronic Master Promissory Note, also to be completed online by logging on to <https://studentloans.gov/>. You will log in using your FSA ID Username and Password.
4. **Subsidized Direct Loan:**
  - a. The student borrower is required to demonstrate a financial need. The federal government, on behalf of the borrower, pays the interest that begins to accrue while a student is in school, during authorized deferment periods, and for six months after the student ceases to be enrolled at least half-time.
  - b. Students who are first time loan borrowers on or after July 1, 2013 are subject to a 150% maximum borrowing time limit for subsidized loans. For example if a student is enrolled in a two year degree they have three years of subsidized eligibility (if they qualify) to earn the degree, if they do not earn the degree (graduate), they will become only eligible for unsubsidized loans and the subsidized loans that they have previously received will revert to unsubsidized loans and the student will be responsible for any and all interest. For 1 year certificate programs the time limit is 18 months.
5. **Unsubsidized Direct Loans:**
  - a. The student borrower is responsible for all interest on these loans. Like all loans these are subject to both yearly and lifetime limits.

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6. If a Direct Parent PLUS loan is part of your award package, parents can complete an electronic application and an electronic PLUS Master Promissory Note by logging onto [www.studentloans.gov](http://www.studentloans.gov). Parent will sign in using his/her FSA ID Username and Password. Parent will need to complete both the PLUS Electronic Application and the PLUS Master Promissory Note.
7. You are responsible for paying all tuition/fees, books and supplies while your loan application is being processed.
8. You have the right to cancel or reduce the amount of the loan you applied for any time before you receive the loan proceeds by completing a Right to Cancel Loan form located on [http://www.coastalalabama.edu/financial\\_aid/forms/](http://www.coastalalabama.edu/financial_aid/forms/).
9. Any student that receives a student loan and completes a full school withdrawal or withdraws below six semester hours must complete the Exit Counseling at <https://studentloans.gov/>, even if they plan to re-enroll the next semester or transfer to another college.
10. Student loans are Federal Financial aid. Students receiving student loans must have their attendance verified each semester before loan proceeds are disbursed. This process is completed by the faculty after the last day of drop and add. Any student not attending classes as documented by the faculty will have their classes drop and will have their federal financial aid suspended. Students are notified of this via their campus email. Students will not be able to attend classes. If a student believes they have attended class, they need to contact their instructors and then follow the instructions that are were emailed/mailed to them.
11. Students receiving student loans are subject to the satisfactory academic progress rules. These rules can be found on the following website:  
[http://www.coastalalabama.edu/financial\\_aid/financial\\_aid\\_policies/](http://www.coastalalabama.edu/financial_aid/financial_aid_policies/)