

# TECHNICAL COLLEGE OF THE LOWCOUNTRY

## PROCEDURE

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**PROCEDURE TITLE:** William D. Ford Federal Direct Loan (Direct Loan) Program

**BASED ON POLICY:**

**REVISION NUMBER:** 3

**OFFICE OF RESPONSIBILITY:** FINANCIAL AID

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**PRESIDENT**

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September 28, 2012

**DATE**

## PURPOSE

The purpose of this procedure is to outline the criteria for determining a student's eligibility for the Federal Family Educational Loan: Federal Stafford Loan and the process for administering student loans.

## PROCEDURE

### 1. Eligibility Requirements

- a. A student must be enrolled at least half time.
- b. A student is required to be enrolled at the College and seeking a degree, diploma, or certificate to obtain a loan.
- c. A student must complete a Free Application for Federal Student Aid (FAFSA) form.
- d. A student receiving a loan must make satisfactory academic progress as defined in Procedure 4-1-404.10 in order to continue to receive a loan.

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- e. Previous student loan debt must not exceed the federally defined limits.
  - f. A student must maintain a current address and phone number with TCL and the loan company for which they have the student loan.
  - g. A student must complete an online entrance interview.
  - h. A student must demonstrate financial need as determined by the results indicated on the Student Aid Report (SAR) in order to receive a Federal Stafford Subsidized Loan.
  - i. A student must have completed the verification process prior to the certification of the student loan and within the prescribed deadlines.
  - j. A student with less than half-time enrollment status will be reported to the guaranteeing agency within sixty (60) days of an academic term through the National Student Loan Clearing House.
2. Processing Loans
- a. A student meeting the qualification requirements as listed above will then complete an in-house student loan request which includes the following information:
    - (1) Loan type and amount requested;
    - (2) Identifying the semesters the student plans to attend.
  - b. The student will meet with the Financial Aid Counselor to address any questions concerning the process, application or requirements.
  - c. The Financial Aid office will process the loan paperwork and forward the information electronically to the US Department of Education. The student is responsible for completing the MPN (Master Promissory Note) and ensuring that it is completed in a timely manner to ensure that deadlines are met for processing within the term requested.

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### 3. Appeal Process

- a. The student loan is approved based on the US Department of Education guidelines.
  - (1) As outlined in item 1(e) "Previous student loan debt must not exceed \$14,000 as reported by NSLDS".
- b. The Technical College of the Lowcountry sets semester deadlines which require that students notify the Financial Aid office of all certification requests. Students who do not meet the prescribed deadlines may appeal if they missed the deadline to submit the certification request due to extraordinary and severe conditions that prevented the student from meeting the posted deadline.
- c. The Financial Aid Director will convene a meeting of the Financial Aid Committee within thirty (30) business days. The student will be notified within forty-five (45) days from the submission of the appeal request.
- d. The committee will hear the appeal, deliberate the additional facts, and make recommendations to the Financial Aid Director.
- e. The Financial Aid Director will communicate the loan decision to the student.
- f. The decision of the appeal committee is final and is not appealable.

### 4. Disbursement of Checks

- a. Upon receipt of an approved student loan certification, students who have submitted a Title IV charge authorization (provided by the Business Office) will be allowed to charge books and tuition to their student accounts.
- b. New students are still subject to a thirty (30) day hold as required by the U.S. Department of Education and will only be allowed to defer tuition cost until receipt of loan funds.
- c. Student loans are not certified until the seventeenth (17<sup>th</sup>) day of class and when the student is attending not fewer than six (6) credit hours of their course load. Remaining funds are disbursed within fourteen (14) days after the loan is

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certified. No funds are drawn from the US Department of Education until the loan certification is final. Disbursement dates and the disbursement of all Title IV funds, including student loans, are the responsibility of the Business Office.

- d. The Financial Aid Office provides verification of the student's enrollment status and authorizes the Business Office to release payment.
- e. Upon receipt of notification of the completed certification, including the student's attendance, the Business Office will process the check to be mailed to the student, as outlined by the Title IV/PELL disbursement schedule.
- f. Student loan funds returned to the Business Office as the result of an outdated mailing address will be canceled. All funds will be returned to the US Department of Education as required. Student loans canceled due to an incorrect mailing address will not be recertified within the current term.

### 5. Exit Interview

- a. Exit interviews will be required for all loan students who either graduate or withdraw from college for the purpose of explaining their rights and responsibilities as a loan borrower, repayment procedures, deferment options, and default liabilities.
- b. All students applying for graduation from the college must complete the exit interview as part of the graduation application process.