



TECHNICAL COLLEGE
OF THE LOWCOUNTRY

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

Number: 4.3.1.5

Responsibility: Student Affairs (Financial Aid)
Last Updated: November 1, 2023
Related Policy: 4.3.1 – Student Financial Aid

President

Purpose:

The purpose of this procedure is to outline the criteria for determining a student's eligibility for Federal Direct Loans.

Procedure:

Eligibility Requirements

1. A student must be enrolled at least half time (6 semester credit hours).
2. A student is required to be enrolled at the College and seeking a degree, diploma, or certificate as well as registered in courses within their program of study to obtain a loan.
3. A student must complete a Free Application for Federal Student Aid (FAFSA).
4. 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.
5. Previous student loan debt must not exceed the federally defined limits.
6. A student must maintain a current address and phone number with TCL and the loan company for which they have the student loan.
7. A student must complete an online entrance interview/counseling.
8. 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.
9. A student must have completed the verification process prior to the certification of the student loan and within the prescribed deadlines.
10. 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.

Processing Loans

1. A student meeting the qualification requirements listed above will then complete an in-house student loan request which includes the following information:
 - a. Loan type and amount requested;
 - b. Identifying the semesters the student plans to attend.
2. The student may meet with the Financial Aid Counselor to address any questions concerning the process, application or requirements.
3. The Financial Aid office will process the loan request and forward the information electronically to the US Department of Education. The student is responsible for completing the MPN (Master Promissory Note) in a timely manner to ensure that deadlines are met for processing within the term requested.

Disbursement of Funds

1. Upon receipt of an approved student loan certification, students will be allowed to charge books and tuition to their student campus bookstore accounts.
2. New, first-time freshmen students may be subject to a thirty (30) day hold as required by the U.S. Department of Education and guidelines.
3. Students who are receiving a one-term-only loan may be subject to two (2) disbursements (disbursement date and mid-term) as required by the U.S. Department of Education.
4. Student loans are not certified until the published disbursement date 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 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.
5. The Financial Aid Office provides certification of loan eligibility to the Business Office.
6. Upon receipt of notification of the completed certification, including the student's attendance, the Business Office will process refunds to the student, as outlined by the Title IV/PELL disbursement schedule.
7. 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 is the mandated requirement.

Exit Interview/Counseling

Exit interviews/counseling will be required for all loan students who either graduate, drop below half-time enrollment or withdraw from college. The purpose of exit interviews/counseling is to inform students about their rights and responsibilities as a loan borrower, repayment procedures, deferment options, and default liabilities.