

Instructions:

- Review the Direct Student Loan Information Page (page 1-2), Schedule of Reduction (SOR) Information (page 3-4), and Student Loan Repayment Information (page 6).
- Complete the Direct Student Loan Request form (page 5)
 - Use blue or black ink to complete form (Do NOT leave any fields blank)
 - Be sure to sign and date form (typed or computer-generated signatures will not be accepted)
 - Submit form and required attachments to FA Office or mail to the SCC Financial Aid Office, 131 Community College Drive, Spartanburg SC 29303

Federal Direct Student Loan Information:

Eligibility Requirements:

- Complete the 2026-2027 FAFSA ([Federal Student Aid Website](#)) and all Financial Aid requirements (verification requests, etc.)
- Be enrolled at least half-time in your program of study at disbursement during every semester of your loan period
- Meet Satisfactory Academic Progress (SAP) Standards
- Have remaining 2026-2027 Federal Direct Loan eligibility
- Not have defaulted on any prior federal loans or owe an overpayment of a federal grant
- Must complete Entrance Counseling and a Master Promissory Note (MPN) at [Federal Student Aid Website](#)

Request Processing:

- Loan requests will be reviewed and processed in the order they are received; processing time may vary depending on the time of year and number of requests received.
 - Loans will be awarded with a pending status, for the loan to become active on your student account you must submit the SOR Statement of Understanding Form. This form will be emailed to you after the loan is added to your award letter.
- In accordance with Federal regulation 34 CFR 685.301(a)(8), the college has the right to refuse to certify/originate a student's loan request or reduce the loan amount being requested. Should a student's loan request be denied or requested loan amount reduced, the student will be provided with a written notification explaining why.
- Financial Aid Refunds are mailed or sent via direct deposit from the business office on scheduled dates each semester.
 - **Fall 2026-October 21, 2026**
 - **Spring 2027- March 10, 2027**
 - **Summer 2027-June 16, 2027**
- Federal Loans must be split into two or more disbursements. A single semester loan will have two separate disbursements within the semester while a multi-semester loan will have one disbursement per semester.
- You have the right to cancel all or a portion of an undisbursed Federal Direct Loan prior to the loan disbursement. To cancel or reduce an awarded loan, you **MUST** notify the SCC Financial Aid Office, in writing.

Federal Direct Student Loan Information Continued:

Loan Eligibility Determination:

- The approved loan type and amount(s) will be based on your 2026-2027 FAFSA information and other aid awarded.
- Eligibility for subsidized loan funds will be determined based on financial need and the aggregate amounts of past student loan funds borrowed.
- If you received loans from another institution within the 2026-2027 academic year, your annual loan limit will be reduced accordingly.
- You must be registered for at least 6 credit hours that are needed and required for your SCC program of study to be considered for a federal student loan.
- If you fall below 6 credit hours at the time of disbursement, your loan will be cancelled, and you will be responsible for any unpaid balances.
- If the Financial Aid Office receives notification that you have exceeded your cost of attendance (COA) after disbursement of your loan(s) has occurred, the necessary reductions and/or cancellations will be made, and you may incur tuition liability.

Federal Direct Subsidized and Unsubsidized Loan Information:

- **Subsidized:** These need-based loans are interest-free.
- **Unsubsidized:** These low-interest loans accrue interest while you are enrolled in school and during the entire repayment period.
- **Origination Fees & Interest Rates:** The origination fee is a loan processing fee taken out of the total loan amount before funds are disbursed. Current origination fee is 1.057%. The current interest rate is 6.52%. *This rate is subject to change.*
- **Loan Limits:** SCC students cannot borrow beyond the sophomore level. Grade level is based on credits earned in program.
 - **Annual Limits:** based on 24+ credit hours between fall and spring semesters.
 - **1st year students** (Students with less than 30 credit hours earned or in a certificate or diploma program)
 - **Dependent Student:**
 - Annual Full-time limit Subsidized / Unsubsidized Base Loans: \$3,500
 - Annual Full-time limit Additional Unsubsidized Loans: \$2,000
 - **Independent Student:**
 - Annual Full-time limit Subsidized / Unsubsidized Base Loans: \$3,500
 - Annual Full-time limit Additional Unsubsidized Loans: \$6,000
 - **2nd year students** (Students with 30 or more credit hours earned and not enrolled in a certificate or diploma program)
 - **Dependent Student:**
 - Annual Full-time limit Subsidized / Unsubsidized Base Loans: \$4,500
 - Annual Full-time limit Additional Unsubsidized Loans: \$2,000
 - **Independent Student:**
 - Annual Full-time limit Subsidized / Unsubsidized Base Loans: \$4,500
 - Annual Full-time limit Additional Unsubsidized Loans: \$6,000
 - **Aggregate Loan Limits**
 - Dependent Students: \$31,000 (of which \$23,000 can be subsidized)
 - Independent Students: \$57,500 (of which \$23,000 can be subsidized)

NEW REGULATIONS STARTING IN 2026-2027

Schedule of Reduction (SOR)

Significant changes to the federal loan provisions were enacted by H.R.1 bill (One Big Beautiful Bill Act).

Colleges are now required to prorate annual loan limits for students who do not take at least 24 Title IV-eligible credits between the fall and spring terms.

- The proration is in direct proportion to each student's percentage of full-time enrollment.
 - $\text{Students enrolled credits} \div \text{total full-time credits for the academic year (24)} * 100 = \text{SOR \%}$
- Students who enroll full-time and remain enrolled full-time are eligible to receive the full-time annual loan limit.
 - A minimum of 12 financial aid-eligible credit hours per term is considered full-time in a term; however, 24 hours over the course of the fall, spring and summer terms are needed to be considered full-time over the course of the academic year.
- Students attending less than full-time (6-11 credits) will have their loan amounts subject to a Schedule of Reduction (SOR), meaning you may not borrow the maximum annual loan limits. Your loan amount will be reduced.
 - For example, a student who enrolls for 18 credit hours for the academic year, could receive up to 75% of their annual loan limit eligibility ($18/24 = 75\%$)
- **Loans will be adjusted based on your schedule changes.**
 - This could result in owing a balance for the term based on reduction of due to SOR.
 - Under the SOR rule the college must review and reduce loans based on enrollment changes prior to loan disbursement.
 - Colleges must also consider any enrollment changes occurring after disbursement, including courses that receive a grade of W.
 - Students who register as a full-time student but ultimately drop or withdraw from classes, making their enrollment less than full-time may have their loan amounts adjusted down.
 - Schedule changes may result in the student owing for the current term or having reduced eligibility in future terms, depending on the time of the drop or withdrawal.
- Only credit hours that are needed and required for graduation from your program (Title IV-eligible) are included in the total.
 - If the number of Title IV-eligible credits you enroll in is different than the numbers you indicate on this form, your loan eligibility may change.
- **LESS THAN FULL-TIME ENROLLMENT (at time of loan disbursement):**
 - A student is expected to take 12 or more aid-eligible credits a semester for a total of 24 or more aid-eligible credits during the fall/spring academic year to be considered full-time enrolled and eligible for their maximum loan eligibility.
 - A student enrolled in 12 or more credits during the fall semester would be eligible for 50 percent of the annual loan limit.
 - A student who enrolls in six credits for the fall semester ($6/24$) would be eligible for 25 percent of the annual loan limit for the semester.

Understanding Loan Schedule of Reduction (SOR)

Students who enroll full-time in BOTH the fall and spring terms and do not have at least 24 aid-eligible credits at the time of full loan disbursement will experience a reduction in your annual loan eligibility. Use the chart below to better understand the potential impact on your loans.

When fall aid-eligible credits earned + spring aid-eligible credits enrolled (at time of spring loan disbursement) is:	Percent reduction of annual full-time loan amount:
24 credits	No loan reduction necessary
23 credits	4%
22 credits	8%
21 credits	13%
20 credits	17%
19 credits	21%
18 credits	25%
17 credits	29%
16 credits	33%
15 credits	38%
14 credits	42%
13 credits	46%
12 credits	50%

SOR Example: Jane is a dependent sophomore who can borrow up to \$6,500 (typically \$4,500 in subsidized loan funds and \$2,000 in additional unsubsidized loans for the academic year. Jane plans to enroll in 12 credit hours for fall and 12 credit hours for spring. Jane's loans are awarded based on expected full time enrollment for the academic year (24 credit hours). Her loan would be awarded as:

- Fall: \$3,250 (\$2,250 subsidized + \$1,000 unsubsidized)
- Spring: \$3,250 (\$2,250 subsidized + \$1,000 unsubsidized)

In September, Jane has a work conflict that results in her needing to drop one of her courses. The drop occurred prior to the loan disbursing on her student account. Jane's loans must now be reduced due to her expected credit hour completion changing from 24 credit hours to 21 credit hours for the academic year.

Jane was originally expected to complete 24 hours and be eligible for 100% of her loan eligibility. Now she is expected to complete 88% of the credits needed to be considered full time. $(21/24) \times 100 = 87.5$ (rounded to 88%). Her loans will be adjusted down.

- $\$4,500 \times 88\% = \$3,960$ subsidized
- $\$2,000 \times 88\% = \$1,760$ unsubsidized

As a result, Jane's awarded loans will be adjusted to:

- \$1,980 in subsidized loans in fall and spring
- \$880 in unsubsidized loans in fall and spring

- If you have relied heavily on loans to cover your direct or indirect educational costs, you may need to consider alternative payment options to meet your financial obligations.



2026-2027 William D. Ford Federal Direct Student Loan Request Form

Name: _____ SCC ID: _____ Date of Birth: _____

Phone: _____ Email: _____@_____

Address: _____

Anticipated Graduation from SCC (mm/yyyy): _____/_____/_____ street city state zip code

Total Student Loan Debt: \$ _____

Total current student dept per [Federal Student Aid Website](#) (attach a printout of your loan history to this form)

Amount Requested: The awarded loan amount will be divided between the loan periods selected and awarded based on your eligibility. You must enroll at least half time (6 or more credit hours) in your program of study to receive any loan funds. Amount left blank will not be processed. Amount Requested: \$ _____ .00

Loan Period Requested: Check all semester(s) below that you are requesting the loan for:

- ☐ Fall 2026
- ☐ Spring 2027
- ☐ Summer 2027

Enrollment Information: If your enrollment does not match the numbers below, your loan eligibility may change. If you do not plan to enroll in one of the semesters below, put 0 for the number of credits you will take for that term:

Fall 2026 credit hours: _____ Spring 2027 credit hours: _____ Summer 2027 credit hours: _____

Student Loan Acknowledgements - Please read and INITIAL each item:

_____ Beginning July 1, 2026, enrollment in less than full time (12+) credit hours will result in reduced loan eligibility. I must be enrolled at least half-time (6 or more hours) prior to applying for a loan. Changes made to my schedule could impact processing and receipt of loan.

_____ I understand that this is a debt that must be repaid and that I have the ethical responsibility to use Federal Direct Student Loan Funds for educational purposes only. I am encouraged to borrow responsibly and understand that I should only borrow what I need to support my enrollment at SCC.

_____ I have completed the Entrance Loan Counseling and Master Promissory Note at [Federal Student Aid Website](#).

Student Loan Certification:

I certify that I am aware my loan will be cancelled if my enrollment drops below the half-time requirement and that changes in my enrollment will result in my loan being reviewed under the SOR requirements and that a reduction of my loans may lead to me owing a debt to the college or being ineligible to borrow in future terms. I understand that this is a loan that must be repaid. I understand that all loan funds must be used exclusively for education expenses. I understand repayment begins 6 months after I graduate or am no longer enrolled ½ time and I will complete Exit Counseling upon leaving SCC. I understand that I must be actively enrolled half-time (6 credit hours) in my program of study to receive loan funds on the loan disbursement date. I understand that I am required to notify the SCC Financial Aid Office of any change in my enrollment and/or program of study. I understand that the amount credited to my student account will be the principal amount minus the loan origination fee. I understand that I must continue to meet the college's Satisfactory Academic Progress Policy. I understand that if I wish to reduce my loan amount and/or cancel any or all future disbursements, I must make my request in writing to the SCC Financial Aid Office. I understand my repayment obligations, responsibilities as student borrower, and the consequences of default.

Student (Borrower) Signature: _____ Date: _____

PLEASE BORROW RESPONSIBLY!
This is a **LOAN** and **MUST** be repaid.

Student Loan Repayment Plan Information

Loan repayment begins 6 months after graduating, dropping below half-time enrollment, or completely withdrawing from the college.

Stay up-to-date on impacts from the One Big Beautiful Bill Act by visiting [Federal Student Aid - Big Beautiful Bill Websitebigupdates](#).

If you have a student loan disbursed after July 1, 2026, you will be required to repay all your eligible direct student loans under either the Tiered Standard Plan or the Repayment Assistance Plan (RAP).

- **Tiered Standard Repayment Plan:** Your required monthly payment amount is based on the amount of your principal balance that you owe at the time that you enter the plan, the interest rate on your loans, and the length of the repayment period. Your payment must be at least \$50 a month and can be more, if necessary, to repay the loan within the required time period. You'll make fixed monthly payments and repay your loan in full within the maximum repayment period.
- **Repayment Assistance Plan (RAP):** Under RAP, your required monthly payment amount will be based on your income and number of dependents. Changes in your number of dependents would result in changes to your monthly repayment amount. Your required monthly payment amount under the Repayment Assistance Plan is a percentage of your annual income, most commonly your adjusted gross income (AGI), divided by 12 to determine the monthly payment amount. Your monthly payment amount is then reduced by \$50 for each dependent you claim on your federal tax return; however, your monthly payment may not be less than \$10 a month. If you're married and file a joint federal income tax return, your monthly payment is generally based on the combined income of you and your spouse. However, your monthly payment will be reduced if your spouse also has federal student loans.

Example Standard Repayment chart:

Loan Amount	# of Payments	Monthly Payment Amount	Total Interest Paid	Total Amount Repaid 6.39% Interest
\$3,500	88	\$50	\$891	\$4,391
\$5,500	120	\$63	\$1,957	\$7,457
\$7,500	120	\$85	\$2,669	\$10,169
\$9,500	120	\$107	\$3,381	\$12,881
\$11,500	120	\$130	\$4,092	\$15,592
\$13,500	120	\$153	\$4,804	\$18,304
\$15,500	120	\$175	\$5,516	\$21,016
\$17,500	120	\$198	\$6,228	\$23,728
\$19,500	120	\$220	\$6,939	\$26,439
\$21,500	120	\$243	\$7,651	\$29,151
\$23,500	120	\$266	\$8,363	\$31,863
\$25,500	120	\$288	\$9,075	\$34,575
\$27,500	120	\$311	\$9,786	\$37,286
\$29,500	120	\$333	\$10,498	\$39,998
\$31,500	120	\$356	\$11,210	\$42,710

Repayment amounts calculated using 6.39% interest and the Federal Student Aid's Loan Simulator:

[Federal Student Aid Loan Simulator](#)

Entrance Loan Counseling

What is Entrance Counseling?

Federal Regulations require all first-time Direct Subsidized/Unsubsidized Loan borrowers (freshman and first-time borrowers) complete the Direct Loan Entrance Counseling and sign the Direct Loan Master Promissory Note (MPN). Please note that Entrance Counseling must be completed for each school you attend and borrow Federal Direct Loans. During entrance counseling, you will be able to enter your own loan information and to see how the debt will grow over time. Entrance counseling will also provide guidance on loan limits, interest accrual and information about budgeting, loan repayment, and how to avoid loan default.

Who must complete Entrance Loan Counseling?

Students borrowing Federal Direct Student Loans at Spartanburg Community College for the first time. If you have complete entrance counseling for loans at a different college or university, you will need to complete entrance counseling for Spartanburg Community College before your student loans will be anticipated on your student account.

How long will it take?

The entire counseling process must be completed in a single session. Please allow 30 minutes to complete this session.

Entrance Counseling Directions:

1. Access [Federal Student Aid Website](#)
2. Click "Log in"
3. Log in using your FSA ID Username, Email, or Mobile Phone and Password
4. If prompted, confirm your personal information
5. Under the "Loans and Grants" drop down menu select "[Loan Entrance Counseling](#)"
6. Click "Start" next to "I am an Undergraduate Student" to begin the counseling session
7. Add Spartanburg Community College as the school to receive the Entrance Counseling, then click on "Notify this School"
8. Under "Select Student Type" select "I am completing entrance counseling to receive Direct Loans as an undergraduate student."
9. Click "Continue"
10. The counseling session consists of several sections.
 - Take your time and review the information fully in each section.
 - You must answer the questions in the "Check Your Knowledge" boxes of the counseling session correctly in order to proceed to the next section.
 - At the end, you will receive a confirmation page and an email confirming that your Entrance Counseling has been completed. *Please allow 48 hours for SCC to process your electronic counseling.*

Master Promissory Note (MPN)

What is a Master Promissory Note?

The Master Promissory Note (MPN) is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). Unless your school does not allow more than one loan to be made under the same MPN, you can borrow additional Direct Loans on a single MPN for up to 10 years.

Directions for Signing Your Direct Loan Master Promissory Note (MPN):

1. Access [Federal Student Aid Website](#)
2. Click "Log in"
3. Log in using your FSA ID Username, Email, or Mobile Phone and Password
4. Read the "warning" pop up then click "Accept"
5. Under the "Complete Aid Process" drop down menu select "[Complete a Master Promissory Note](#)"
6. Click "Start" next to "**MPN for Subsidized/Unsubsidized Loans**"
7. Follow the steps to complete your MPN
8. Hit the **SUBMIT BUTTON** to officially submit your MPN at which time you will receive a confirmation notice.
9. There is a link to view, save and/or print a copy of your completed MPN for your records.

Additional Processing Loan Information

When will my loan be available?

Your loan is originated/certified (approved) after you complete the Direct Loan Request form, and it is determined that you meet all the eligibility requirements. **Please allow 10 business days for loan certification.** Even though your award letter may reflect a Direct Loan, the loan will not show as anticipated on your student account until you complete all loan requirements. Loans will be awarded as pending. For the loan to become active, you must submit the SOR Statement of Understanding Form.

How to view loans on your Offer Letter & Billing Information?

Offer Letter: Login to your student portal, select self-service, student financial aid. Your award letter is the last item on your checklist.

Billing Information: The best place to see how your financial aid is anticipated is on your student account through your student portal. Log into your student portal, then click on self-service, student finance, then account activity. Make sure you are reviewing the correct term. Here you will be able to see a breakdown of your tuition and fee charges and how your financial aid is anticipated on your student account.

- If you see a **negative amount**, this is a credit balance or overage on your account.
- If you see a **positive amount**, a balance remains due on your account after aid is anticipated. Please contact the FA Office with any questions or the Business Office to make payment.

Fall billing information becomes available in July, Spring billing information becomes available in November, Summer billing information becomes available in April each year.

Cancellation of Loans: Student Loans may be cancelled if the borrower withdraws from classes or drops below half time enrollment (6 credit hours in the student's active program of study) during the loan period. Federal Student Loans may be cancelled or reduced by the borrower by way of a written request to the Financial Aid Office.