Federal Direct Loans

Spartanburg Community College participates in the William D. Ford Direct Loan (DL) Program. This is a low-interest fixed-rate loan available from the federal government in two versions:

- **Subsidized**: A subsidized loan is awarded on the basis of financial need. Students are not charged any interest before repayment begins or during authorized periods of deferment. The federal government "subsidizes" the interest during these periods.
- **Unsubsidized**: An unsubsidized loan is not based on financial need, and you are charged interest on the loan as soon as the funds are disbursed. You may defer payment on the interest until you have finished school, but the interest will be capitalized—that is, it will be added to the amount you owe and additional interest will be based on that higher amount.

**Applying for Loans:**

Federal Direct Subsidized and Unsubsidized Stafford Loans are used to assist in paying for college expenses. These loans are in the student’s name, and the student is responsible for repaying them after leaving school or dropping below half-time enrollment. Check current interest rates (rates are subject to increase July 1). See information and explanation for interest rates for federal loans here: [https://studentaid.ed.gov/sa/types/loans/interest-rates](https://studentaid.ed.gov/sa/types/loans/interest-rates)

Complete the steps below to apply for the Federal Direct Student Loan:

1. Complete a [FAFSA](https://studentaid.ed.gov/sa/types/loans/interest-rates) for the relevant aid year if you have not already done so.
2. Complete your online [Entrance Counseling](https://studentaid.ed.gov/sa/types/loans/interest-rates) – Once online, sign in using your FSA ID and complete the Entrance Counseling Session.
4. Complete SCC’s Loan Request Form and submit to the Financial Aid Office.

**2017/2018 William D. Ford Federal Direct Student Loan Request Form**

Note: All four of these steps must be completed successfully before a Federal Direct Stafford Loan award will be offered to you.

**Basic Eligibility:**

Basic eligibility for a federal student loan: A student must be enrolled in an approved degree, diploma, or certificate program and registered for at least six credit hours during the semester(s) during which loan funds are received. The student must also meet all general eligibility requirements for federal aid. All of these criteria must be met at the time of the loan disbursement each semester.

**Loan Limits:**

**Loan Limits Per School Year:**

The amount a student can borrow per academic year will depend upon enrollment and dependency status. The amounts indicated below are the maximum amounts a student may borrow in both subsidized and unsubsidized loans for the entire academic year, including the summer semester.

<table>
<thead>
<tr>
<th>Dependent Students</th>
<th>Base</th>
<th>Additional Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman (0-29 credits)</td>
<td>$3,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Sophomore (30+ credits)</td>
<td>$4,500</td>
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</tbody>
</table>
* Students may be awarded less than the full year limit each year depending on cost of attendance and other aid.
* Students dependency status is determined by the Free Application for Federal Student Aid (FAFSA).
* Students grade levels are determined by the credit hours completed in their active program of study.

**Lifetime Loan Limits:**

The aggregate loan limit is the maximum total loan debt a student may borrow as an undergraduate student. The aggregate loan limits include any Subsidized Federal Stafford Loans or Unsubsidized Federal Stafford Loans you may have previously received under the Federal Family Education Loan (FFEL) Program. As a result of legislation that took effect July 1, 2010, no further loans are being made under the FFEL Program.

<table>
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</tr>
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<tbody>
<tr>
<td>Dependent Students: $31,000 (of which $23,000 can be subsidized)</td>
</tr>
<tr>
<td>Independent Students: $57,500 (of which $23,000 can be subsidized)</td>
</tr>
</tbody>
</table>

If you reach your subsidized limit before reaching your combined limit, you can still be awarded unsubsidized loans until the combined loan limit is reached.

**Subsidized Borrowing Limitations: SULA (Subsidized Usage Limit Applies)**

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. This time limit does not apply to Direct Unsubsidized Loans. If this limit applies to you, you may not receive Direct Subsidized Loans for more than 150 percent of the published length of your program of study. This is called your “maximum eligibility period.” Your maximum eligibility period is generally based on the published length of your current program. You can find the published length of your program of study in the college catalog. Your maximum eligibility period can change if you change to a program that has a different length. Direct Subsidized Loans borrowed for a previous program will count toward your current program limit.

[College Catalog](#)

Once a student loan borrower has reached the 150 percent limitation, his or her eligibility for an interest subsidy also ends for all outstanding subsidized loans that were disbursed on or after July 1, 2013. At that point, interest on those previously borrowed loans would begin to accrue and would be payable in the same manner as interest on unsubsidized loans.

**Direct Loan Exit Counseling**

Students who have graduated, withdraw or drop below half time enrollment who have received Federal Direct Loans must complete exit counseling at [www.studentloans.gov](http://www.studentloans.gov).

**You’re not alone when it comes to student loans.**

SCC has partnered with EdManage to assist SCC students with their Federal student loan obligations and repayment. In addition to SCC and your loan service, you may receive correspondence from EdManage in regards to your federal student loans. For more information on EdManage visit their website at [http://www.edmanage.net/](http://www.edmanage.net/). If the financial aid office can be of any assistance to you, please call the office at (864) 592-4810 or toll free 1-866-591-3810.

**Loan Repayment:**
Repayment Estimator is a tool that William D. Ford Federal Direct Loan (Direct Loan) and Federal Family Education Loan (FFEL) program borrowers can use to obtain preliminary repayment plan eligibility information and estimated repayment amounts. This easy-to-use tool offers borrowers the opportunity to obtain preliminary repayment information across all of the repayment plans. Its advantage over repayment plan-specific calculators is that it provides side-by-side results for all plans and information about the total cost of a loan over time. The new repayment estimator is available for borrower use on the [www.studentloans.gov](http://www.studentloans.gov).

**Student Loan Code of Conduct:**

[https://www.sccsc.edu/uploadedFiles/Pages/Costs_and_Financial_Aid/Financial_Aid_Information/Financial_Aid_PDFs/Student-Loan-Code-of-Conduct.pdf](https://www.sccsc.edu/uploadedFiles/Pages/Costs_and_Financial_Aid/Financial_Aid_Information/Financial_Aid_PDFs/Student-Loan-Code-of-Conduct.pdf)

**Student Loan Ombudsman:**

The Federal Student Aid Ombudsman of the Department of Education helps resolve disputes and solve other problems with federal student loans.

Contact Information for the FSA Student Loan Ombudsman's Office:

On-line assistance: [http://studentaid.gov/repay-loans/disputes/prepare](http://studentaid.gov/repay-loans/disputes/prepare)
Telephone: (877) 557-2575 (toll free)
Fax: (606) 396-4821
Mail: FSA Ombudsman Group
P.O. Box 1843
Monticello, KY 42633