

## BRTC Loan Policy

**Students who wish to borrow funds from the William D. Ford Federal Direct Loan Program should be aware of the following federal regulations:**

### ANNUAL STAFFORD LOAN LIMITS

DEPENDENT			INDEPENDENT	
<u>Subsidized &amp; Unsubsidized</u>			<u>Subsidized &amp; Unsubsidized</u>	
Freshman	\$3,500	\$2000	\$3,500	\$6,000
Sophomore	\$4,500	\$2000	\$4,500	\$6,000

- STEP 1:** Entrance Loan Counseling is required to be completed **ONLY** once under the Direct Lending program. Returning borrowers who have borrowed through BRTC's previous loan program should also complete it at <https://studentaid.gov/entrance-counseling>
- STEP 2:** The Master Promissory Note or MPN is required after submitting your Loan request to the FA Office. To complete an MPN online, you will be required to use your **FSA ID** that you used to complete your FAFSA. You must complete the Promissory Note via electronic signature at the following web address <https://studentaid.gov/mpn>
- All borrowers must complete the Free Application for Federal Student Aid (FAFSA) before loan eligibility can be determined.
  - Students must be enrolled in at least **6 credit hours** to be eligible for a student loan. A student will be certified for a loan **ONLY** for the hours enrolled that are within the his/her degree plan.
  - Students may qualify for a subsidized loan (interest-free during enrollment) and if not, a student will qualify for an unsubsidized loan. **Note: Those receiving Pell should qualify for a subsidized loan.**
  - Every loan must be delivered in two equal disbursements per semester. The second disbursement will be delivered after the midpoint of the semester.
  - For students enrolled in 8-week classes, if you are enrolled in at least 6 credit hours but less than 6 hours have actually begun, you will not be eligible for your first loan disbursement until you have begun attendance in at least 6 credit hours.
  - First-time borrowers who are first-time entering students must wait thirty (30) days after the semester begins to receive the first disbursement.
  - All borrowers must complete an exit loan counseling session prior to graduation, if he/she ceases to be enrolled at least half-time, or upon termination of enrollment at <https://studentaid.gov/exit-counseling/>
  - All borrowers should understand that class attendance through the 60% point of the semester is **mandatory** under the Federal Title IV Funds regulation. If a borrower quits attending or withdraws before that point, he/she may owe a refund to BRTC and/or the U.S Dept. of Education for funds received that were not earned.
- \*\*\* Our office will process loan refunds once a month and notification will be sent to students by email once the refunds are processed and mailed. \*\*\***