



## 2022-2023 Direct Loan Information

All Federal Direct Student and PLUS Loans are considered a source of Title IV Financial Aid. This is federally funded aid which includes other programs such as the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (SEOG). These federal student aid programs are authorized under Title IV of the Higher Education Act (HEA) of 1965, as amended.

### Federal Direct Student Loan Information:

- Subsidized Direct Loan: A loan that the federal government pays interest on during in-school status, grace periods and authorized deferment periods. To qualify for a Subsidized Direct Loan, you must demonstrate financial need.
- Unsubsidized Direct Loan: A loan that you are responsible for paying the interest on during in-school status, grace periods and authorized deferment periods. You have the option of postponing the interest payments while in school. However, the interest continues to accrue and any unpaid interest will be capitalized (added to the principal balance) as you enter repayment.

### **Steps to request a Federal Direct Student Loan:**

- Complete the 2022-2023 FAFSA
- Submit a Loan Request Form to the Financial Aid Office (you can obtain this form from our website at [www.gmc.edu](http://www.gmc.edu))
- First time borrowers at GMC, must complete a Master Promissory Note and the Entrance Counseling tutorial at [www.studentaid.gov](http://www.studentaid.gov).

### **Tips on Completing a Federal Direct Student Loan Request Form:**

- Commuter or Cadet – Milledgeville Campus students participating in the Cadet Program must select "Cadet." All other students are to select "Commuter."
- Loan Period – The loan period is the period in which the student wishes to receive loan funds.
- Total Loan Amount Requested – Using the Annual Direct Loan Limits and Term Amounts Chart provided on the Direct Loan Request Form, please indicate the total amount of funds you wish to receive per term. The Financial Aid Office will process your maximum subsidized eligibility first. If the amount requested exceeds your subsidized eligibility **and** you have initialed indicating you are willing to borrow unsubsidized funds, the financial aid office will process the remaining amount requested up to your Cost of Attendance.
- Cost of Attendance is an estimation of what it will cost a student to attend the institution for the loan period specified. It includes estimated tuition, fees, books, supplies, housing, food, transportation, and personal expenses.

### **Terms and Conditions when obtaining a Federal Direct Student Loan:**

- Students must maintain Satisfactory Academic Progress (SAP). For detailed information regarding SAP, please go to our website at [www.gmc.edu](http://www.gmc.edu). Once there navigate to Financial Aid, Financial Aid Policies page, and click on *Satisfactory Academic Progress (SAP)*.
- Students must be enrolled in a degree program and at least 6 hours at the time of the loan disbursement in order to be eligible for funds.
- Loan requests submitted after the end of the loan period will not be processed.
- Should the student have a break in enrollment during the academic year, or if there is a cancellation of loan funds due to a withdrawal of a course, loans funds in the current and subsequent terms will be cancelled. Should the student want loan funds for the subsequent terms, the student must complete and submit a new loan request form.
- Should the student request his/her maximum loan eligibility during the academic year, the student may not be eligible for loan funds during the summer term.
- Students wishing to obtain a Direct Student Loan who have not attended GMC previously, and have not received student loans previously, are subject to a 30 Day Delay in the disbursement of their loan funds.
- All one-term loans are distributed in two separate disbursements.
- When completing a Loan Request Form, the student is indicating that he/she understands that their loan information will be submitted to the National Student Loan Data System (NSLDS), and will be assessable by guaranty agencies, lenders, and institutions determined to be authorized users of the data system.
- For **loans** first disbursed on or after Oct. 1, 2020, and before Oct. 1, 2022, federal direct subsidized and unsubsidized loans will have an **origination fee** of 1.057%. - <https://studentaid.gov/understand-aid/types/loans/interest-rates>

### **Cancelling or Adjusting a Federal Direct Student Loan:**

- To cancel or adjust a Federal Direct Student Loan, the student must either complete and submit a [Loan Change Form](#), or submit an email to the campus of which you attend. The student must use his/her GMC email address for all correspondence.

Annual Student Loan Limits			
Grade Level	Base Amount	Additional Unsubsidized <u>Dependent</u>	Additional Unsubsidized <u>*Independent</u>
Freshman (0-44 completed credits)	\$3,500	\$2,000	\$6,000
Sophomore (45-89 completed credits)	\$4,500	\$2,000	\$6,000
Junior (90-135 completed credits)	\$5,500	\$2,000	\$7,000
Senior (136+ completed credits)	\$5,500	\$2,000	\$7,000
<b>*Additional unsubsidized independent loan amounts also apply to dependent students whose parents are not eligible for a PLUS Loan*</b>			
Aggregate (Lifetime) Student Loan Limits			
Student Type		Total Amount	
Dependent Undergraduate		\$31,000	No more than \$23,000 of which may be Subsidized Funds.
Independent Undergraduate, Additional Degree Undergraduate, or Post Baccalaureate Student		\$57,500	

### **Federal Direct PLUS Loan Information:**

PLUS loans are federal loans that graduate or professional degree students and parents of dependent undergraduate students can use to help pay education expenses. The U.S. Department of Education makes Direct PLUS Loans to eligible borrowers through schools participating in the *Direct Loan Program*.

### **Steps to take as a parent to request a Federal Direct PLUS Loan:**

- The student must complete the 2022-2023 FAFSA
- The parent or guardian must submit a PLUS Loan Authorization Form found in the financial section of our website at [www.gmc.edu](http://www.gmc.edu) to the Financial Aid Office.
- A review of the parent or guardian's credit history is required. The parent or guardian may complete this step by requesting a PLUS loan at [www.studentaid.gov](http://www.studentaid.gov). If the parent or guardian does not wish to complete this step online, GMC can complete this step on his/her behalf.
- If the parent is a first-time borrower at GMC, he/she must complete a Plus Master Promissory Note, found at [www.studentaid.gov](http://www.studentaid.gov).

### **Tips on Completing a Federal Direct PLUS Loan Authorization Form:**

- Be sure to distinguish which section is designated for the student and parent.
- Loan Period – The loan period is the period in which the borrower wishes to provide loan funds for their student.
- Excess Loan Funds: The borrower must either select Option A – to disburse any PLUS Loan proceeds in excess of the student's account balance directly to the borrower, Or, Option B – to disburse any PLUS Loan proceeds in excess of the student's account balance directly to the student.
- Should the borrower wish to receive the excess loan funds directly and their address is different than that of the student's, then the borrower must complete the Address Section at the bottom of the PLUS Loan Authorization Form.

### **Terms and Conditions when obtaining a Federal Direct PLUS Loan:**

- The U.S. Department of Education is the *lender*.
- The borrower must not have an *adverse credit history*.
  - If the PLUS loan is denied based on an adverse credit history, the parent or guardian may secure an approved endorser or appeal based on extenuating circumstances. If the PLUS loan is subsequently approved after meeting one of these conditions, the parent must complete PLUS loan entrance counseling before funds can be disbursed. See [www.studentaid.gov](http://www.studentaid.gov) for additional information.
- The maximum loan amount is the student's cost of attendance (determined by the school) minus any other financial aid received.
- The student must be enrolled at least half-time (6 credit hours) per quarter to be eligible.
- All funds will be credited to the student's account first, with any remaining balance refunded to either the parent or student.
- Only parents or step-parents are permitted to apply for a PLUS Loan.
- The borrower may cancel a portion or the entire PLUS Loan, even after the funds have been dispersed.
- When completing a PLUS Loan Authorization Form, the borrower is indicating that he/she understands that their loan information will be submitted to the National Student Loan Data System (NSLDS), and will be assessable by guaranty agencies, lenders, and institutions determined to be authorized users of the data system.
- Should the student have a break in enrollment, the borrower must complete a new PLUS Loan Authorization Form, and may be subject to a new credit check depending on the prior credit check's expiration date.
- For **parent plus loans** first disbursed on or after October 1, 2020, and before October 1, 2022, will carry an **origination fee** of 4.228%. - <https://studentaid.gov/understand-aid/types/loans/interest-rates>

### **Cancelling or Adjusting a Federal Direct PLUS Loan:**

- To cancel or adjust a Federal Direct PLUS Loan, the borrower must complete and submit a [Loan Change Form](#).

