

## FEDERAL LOAN POLICY

Albany State University participates in the Federal Direct Loan Program, which includes the Federal Direct Subsidized Loans, Unsubsidized Loans, Grad PLUS Loans, and Parent PLUS Loans. Students must complete the Free Application for Federal Student Aid (FAFSA) to be eligible for federal loans.

### PROCESSING TIMELINE:

#### ***Direct Subsidized and Unsubsidized Loans:***

Once a student accepts his/her loans in Banner Web, it can take between 5-7 business days for processing. This processing time allows the school to submit the student's approval of loans to the Department of Education for certification. A student must also complete Loan Entrance Counseling and a Master Promissory Note (MPN) at [www.studentloans.gov](http://www.studentloans.gov) before any loan funds can be authorized or paid to a student's account.

The 5-7 business day processing timeline does not reflect actual disbursement dates/timelines. Loans are disbursed in accordance with federal disbursement rules and the school's disbursement schedule for each term.

#### ***Grad PLUS Loans & Parent PLUS Loans:***

Once a student/parent applies for a PLUS loan at [www.studentloans.gov](http://www.studentloans.gov), it can take between 5-7 business days for the information to be received by the school and action taken to adjust a student's financial aid package/awards. A student/parent must also complete a Loan Agreement for a PLUS Loan (MPN) at [www.studentloans.gov](http://www.studentloans.gov) before any loan funds can be authorized or paid to a student's account. Additional information may be requested by the school to confirm information about the borrower/endorser prior to processing or disbursement of the loan.

The 5-7 business day processing timeline does not reflect actual disbursement timelines. Loans are disbursed in accordance with federal disbursement rules and the school's disbursement schedule for each term. Federal loan requests are processed in the order they are received and/or accepted.

### LOAN CERTIFICATION AND DISBURSEMENT:

Federal loans will not be authorized/disbursed if a student is not enrolled in the appropriate number of credits (6 or more hours that are applicable to the program of study) as established by federal regulations. ***In addition, all loans are subject to an origination fee established by the Department of Education.*** Award amounts and disbursement amounts will not match as a result of these fees. Disbursement amounts are listed on the Loan Disclosure Statement sent to students by the Department of Education or via the Loan Disbursement Letter emailed to students from ASU after disbursement.

Loans will be certified using the loan period and amounts listed by the student and/or parent during the application process, except when the amounts exceed the Cost of Attendance for the period the loan is requested. Federal loans will be processed using one of the two variations below:

#### **Traditional Academic Year (Fall and Spring terms):**

-Approved loan amount will be divided in half and will be equally scheduled over the two terms in the traditional academic year

-The disbursement dates will follow the same schedule as the disbursement dates established for federal student loans each term

### **One term (any one term during the full academic year, such as summer term):**

-Approved loan amount will be divided in half and paid out in two disbursements during the established term for which the loan is certified

-The disbursement dates will follow the schedule below:

\***Disbursement 1:** One half of the approved loan amount on the first disbursement date in the term once attendance is verified

\***Disbursement 2:** Remaining half of the approved loan amount at the midpoint of the term once attendance is verified

### **ATTENDANCE VERIFICATION AND DISBURSEMENT ON ATTENDING HOURS:**

Financial aid will only be disbursed to student accounts once class attendance is verified. If a student is registered in a combination of A-term, full term and B-term, or any variation of the three terms, aid may be disbursed in multiple increments once attendance is verified for each term. If a student is registered in only B-term classes, aid will not be paid until classes begin for B-term and attendance can be verified.

### **30 DAY DELAY AND ONE TERM LOANS:**

Per federal regulations, loan borrowers that are first-time borrowers and have never been disbursed a federal student loan at any institution will be required to wait 30 days from the first scheduled day of the term before the first disbursement will be made on the loan.

Loan borrowers who are receiving a one term loan will have the loan disbursed in two disbursements. The first disbursement of the loan, typically one half of the approved loan amount, will disburse the scheduled first day of the term, or the day the loan is processed and approved by the Department of Education for payment. The second disbursement of the loan, typically one half of the approved loan amount, will disburse at the scheduled midpoint of the term.

Students must meet all other loan requirements and have attendance verified before a loan will disburse.

### **GRADUATING SENIOR LOAN PRORATION:**

Federal regulations require schools to prorate the Federal Direct Stafford Loan amount for **graduating undergraduate students** when their final period of enrollment is less than a full academic year. Graduating seniors who are **only attending one semester** of the academic year may have their Federal Direct Stafford Loans prorated based on the number of credit hours remaining in his/her program of study (refer to the separate Loan Proration Policy).

Institutions are not permitted to exceed federal aggregate loan limits published by the Department of Education. Therefore, the actual loan amount may also be impacted by the student's total aggregate loan limit(s).

Loan proration requirements do not apply to graduate or professional certificate students.

### **ELIGIBILITY REQUIREMENTS:**

Albany State University adheres to all requirements established by the federal loan program for eligibility and ongoing disbursement of the loan.