South Arkansas Community College
Federal Direct Loan Policy

1. To obtain a Federal Direct Student Loan, a borrower must:
   • Complete the Free Application for Federal Student Aid (FAFSA – www.fafsa.gov) and complete his/her Financial Aid File to ensure that all sources of non-repayable aid have been explored.
   • Loans for all students will go through the U.S. Department of Education Direct Loan Program
   • If this is your first loan at SouthArk, complete the Entrance Interview at: http://mappingyourfuture.org (click “Online Counseling” at the top of the page)
   • Complete the Student Loan Application & Certification Form (on back). Also read and sign this Federal Direct Loan Policy and return this form to the Financial Aid Office.
   • Verify any previous loan data by logging in to www.nslds.ed.gov (Fill in where noted on Page 2)

2. First year, First Time Borrowers (students with less than 30 cumulative credit hours completed): first year, first time borrowers may not collect the proceeds of their first loan disbursement until 30 days after the beginning of the class day of their first semester of enrollment at SouthArk.

3. Reduce/Refusal of request: The Financial Aid Office reserves the right to certify a loan amount less than requested by the student or to completely refuse to certify the loan. Also, the student has the right to decline or reduce any loan funds that are certified.

4. Award Letter: After you receive notification via e-mail that your loan has been awarded, you must date and sign the letter email in order to actively accept/decline your specific loan award.

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Read and Sign below:

I understand that Federal Direct Loan funds are Federal funds. In order to be eligible, I must be seeking a degree, enrolled in at least six credit hours and be meeting SouthArk’s Satisfactory Academic Progress Policy. All the policies and procedures for Federal Aid also apply to Federal Direct Loans. Federal Loan funds do have restrictions on their usage. Loan funds must be used for education expenses only, such as tuition, fees, books, room and board, etc. I understand that I must complete the FAFSA and loan packet each academic year in order to apply for loan funds.

I understand that in order for SouthArk to certify my loan request, I must also complete a Master Promissory Note (MPN) if I have not done recently. The MPN can be found at https://studentaid.gov/mpn/. I must follow the instructions in order to complete the e-signature process. If this is my first loan for this academic year at SouthArk, I must also complete the Annual Student Loan Acknowledgement at https://studentaid.gov/asla/. Failure to e-sign the MPN or complete the Acknowledgement could result in a delay in processing this loan request and/or receipt of funds.

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I understand that the loan proceeds will be disbursed in at least two disbursements. I will receive a disclosure statement that notifies me of my anticipated loan disbursement dates. The first disbursement will be early in the semester and the second will be no earlier than the 50% point of my period of enrollment that I selected on the reverse of this form. A Notice of Disbursement Memo will be sent to me with the specific amount and date of the disbursement. It is my responsibility to check in the business office (Admin Building Suite 206) no earlier than 5 to 7 business days after my specific disbursement date noted on the memo to see if my check is ready to be picked up.

I understand that once the school has received my loan funds, I MUST be attending AND participating at least half-time (6 hours). Failure to either attend/participate half-time or to pick up my loan funds will cause them to be returned.

________________________________________________  _____________________________
Signature         Date
South Arkansas Community College
Student Loan Application & Certification Form

Name: __________________________________________________   SouthArk Student ID: _______________________

Last                              First                             Middle

Permanent Address: _______________________________________________________________________________
________________________________________________________________________________________________
City                                                            State                                                                   Zip Code

Contact Telephone #: (______) ________________________        Date of Birth: _______________________________

❖ If this is your first DIRECT LOAN at SouthArk, you must complete a Master Promissory Note (MPN) at: https://studentaid.gov/mpn/.

❖ If this is your first loan for this academic year (2021 – 2022) at SouthArk, you must also complete the ANNUAL STUDENT LOAN ACKNOWLEDGEMENT at https://studentaid.gov/asla/.

KNOW WHAT YOU OWE: To help you make an informed decision before you request additional loan funds, you must log in to www.nslds.ed.gov and complete the following. (Also, be sure to verify/add your contact information)

My TOTAL ALL LOANS borrowed is $__________________ for which I am responsible to repay.

The current servicer/holder/lender of my loans is/are ___________________________________________________.

I request the following additional loan type(s); to the extent I am eligible:

___ Subsidized (the government pays the interest while you are in school)
___ Unsubsidized (if you are not eligible for a subsidized loan you may be eligible for an unsubsidized loan where you pay the interest while in school)

See section on Capitalization of Interest* below

Specific Amount Requested: $_______________

Freshman (0-29 hours completed) Maximum: $5500 for Dependents and $9500 for Independents ($3500 subsidized max)
Sophomore (over 30 hours completed) Maximum: $6500 for Dependents and $10,500 for Independents ($4500 subsidized max).

Loan Period Of Enrollment (You must be enrolled in AT LEAST 6 credit hours):

Fall ’21 & Spring ‘22____           Fall ’21 Only____           Spring ’22 Only____           Summer ’22 ______

(Amount requested will be split between Fall & Spring)

Loan funds always come to the school in two (2) disbursements. The 1st is at the beginning of the loan period & the 2nd is halfway through the loan period.

*If you request an unsubsidized loan, you will have the option, on your MPN or by contacting the Department of Education, of selecting whether or not you would like to pay the interest that accrues or having it capitalized (adding it back to the amount you borrowed).

I have read the given information and understand the Federal Direct Loan procedures.

Signature__________________________________ Date________________________

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