



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.

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.

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

