

PURPOSE: To provide Financial Support for students who would otherwise be unable to attend college.

REFERENCE TO: Cochise College, Student Financial Aid policy 4015 section 2.

In order to qualify for a student loan, the student must be enrolled in a minimum of 6 credit hours per semester and be registered prior to the Financial Aid freeze date. Student loans are limited to \$57,500. Once a student reaches \$23,000 in subsidized loans, loan eligibility for this type of loan ends. If a student transfers from another college with approved loans from the prior institution, all loan totals will be calculated, not to exceed the \$23,000 loan limit in subsidized loans.

If a Student needs more money?

If a student believes they may need more financial resources to cover all their education costs, the student should contact the Cochise College Financial Aid Department at **520-515-5417** or Finaid@cochise.edu. If the student has special circumstances that change their financial situation, the Financial Aid Department has an appeal process that takes current household income changes into consideration.

First Time Loan Borrowers:

- The U.S. Department of Education is your lender.
- The Department of Education requires you to attend enrolled classes for 30 days prior to receiving a loan disbursement.
- Direct Subsidized Loans are loans made to eligible undergraduate students who demonstrate financial need to help cover the costs of higher education at a college or career school.
- Direct Unsubsidized Loans are loans made to eligible undergraduate, graduate, and professional students, but eligibility is not based on financial need.
- Direct PLUS Loans are loans made to graduate or professional students and parents of dependent undergraduate students to help pay for education expenses not covered by other financial aid. Eligibility is not based on financial need, but a credit check is required. Borrowers who have an adverse credit history must meet additional requirements to qualify.
- Direct Consolidation Loans allow you to combine all of your eligible federal student loans into a single loan with a single loan servicer.

- **For example:**

4 YEAR BACHELOR	4 YEAR LIMIT
2 YEAR ASSOCIATE	3 YEAR LIMIT
1 YEAR CERTIFICATE	1.5 YEAR LIMIT

Maximum Annual Loan Amounts:

STATUS	DEPENDANT SUBSIDIZED	DEPENDANT UNSUBSIDIZED	INDEPENDENT SUBSIDIZED	INDEPENDENT SUSIDIZED
FRESHMAN 0-32 CREDITS	\$3,500 / year	\$2,000 / year	\$3,500 / year	\$6,000 / year
SOPHOMORE 33 OR MORE CREDITS	\$4,500 / year	\$2,000 / year	\$4,500 / year	\$6,000 / year
BACHELOR 60-89 is a Junior / 90+ is a Senior	\$5,500 / year	\$2,000 / year	\$5,500 / year	\$7,000 / year
MAXIMUM AGGREGATE LOAN AMOUNTS: Borrower's academic limit level subsidized + unsubsidized = \$57,500.				

****Please ensure you speak with the Financial Aid Loan Liaison for questions regarding loan options and personal circumstances, as amounts can be changed if a student is not eligible for a specific loan.**

Loan Counseling:

Borrowers are required to complete [Entrance Loan Counseling \(website\)](#) **AND** complete a [Master Promissory Note \(website\)](#) before receiving their loan(s).

Before a borrower graduates, withdraws or drops below half-time attendance, the Department of Education requires the borrower to complete [Exit Counseling \(website\)](#). Once a borrower receives a Federal Loan, they are required to complete an exit interview before the borrower leaves school or falls under 6 credit hours.

Parent Plus:

If the borrower or the borrower's parents are applying for a Parent Plus or Alternative Education Loan, the borrower must still be processed for Financial Aid and complete all the required documentation. The maximum amount that can be borrowed is equal to the cost of attendance as determined by Cochise College for the loan period, minus ALL the other grants, scholarships, third party payments, work-study, resident assistant, fee waivers or any other outside funds.

Transfer Students:

Official academic transcripts will be required of all transfer students who display in [NSLDS \(National Student Loan Database System: website\)](#) that have attended previous colleges and/or have substantial borrower loan debt. Transcripts will be evaluated and restricted enrollment enforced when applicable.

Students who have not met our academic standards (2.0 GPA and completion of 75% of classes attempted) at the prior colleges will be evaluated with the same probation and suspension standards currently in place for Cochise College students ([Student Financial Aid Policy 4015, Section 6: website](#)). Students who have consistently received W and F grades will be required to complete a minimum of 6 credit hours with a 2.0 GPA or higher using their own resources before Federal Aid will be approved. ****Once a borrower's loans from all schools equal \$57,500, the borrower will no longer be eligible for loans at Cochise College.**

Disbursement:

Loans will be dispersed in two installments, ½ of the loan per semester. Exception to this would be if the student is only attending for one semester; then the loan would be split into 2 disbursements in that semester. If there is an outstanding balance on the student's account, the loan will be applied to this balance first, then dispersed.

Loan Adjustments:

If a borrower receives a loan and other funding is awarded, which brings the student to a negative unmet need, the loan award will be adjusted accordingly. In other words, if a student receives \$500 in a loan and the student gets \$200 in scholarships after the loan was paid, which brings the unmet need to a negative \$200, the student will return \$200 to the loan. A student is not allowed to receive more than the cost of attendance (unmet need).

Interest Rates:

The **FIXED** interest rates for Federal and Plus Loans change yearly. The interest rates are based on when the student loans were dispersed.

- **Loans first dispersed on or after 07/01/2024 and before 07/01/2025**
 - Direct Subsidized Loans: 6.53%
 - Direct Unsubsidized Loans: 8.08%
 - Direct Parent Plus Loans: 9.08%
- **Loans first dispersed on or after 07/01/2023 and before 07/01/2024**
 - Direct Subsidized Loans: 5.50%
 - Direct Unsubsidized Loans: 5.50%
 - Direct Parent Plus Loans: 8.05%
- For **Subsidized and Unsubsidized Loans** for undergrad students first dispersed on or after **July 01, 2022 to June 30, 2023: 4.99% (fixed)**
- For new and existing **Subsidized and Unsubsidized Loans** for undergrad students from **July 01, 2021 to June 30, 2022: 3.73% (fixed)**
- For new and existing **Subsidized and Unsubsidized Loans** for undergrad students dispersed from **July 01, 2020 to June 30, 2021: 2.75% (fixed)**

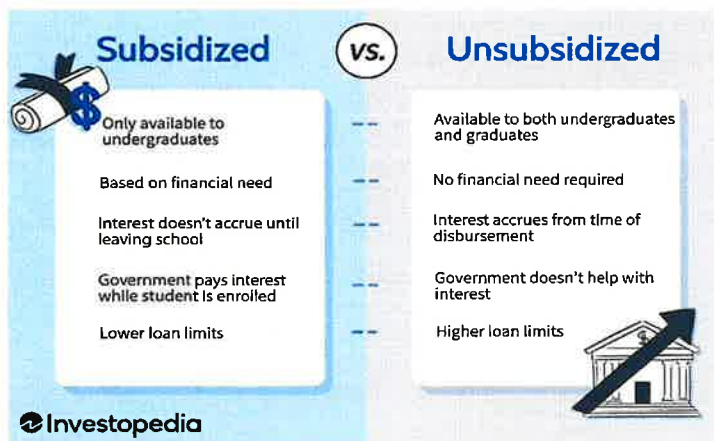
- For existing **Subsidized Loans** for undergrad students dispersed from **July 01, 2011 to June 30, 2013: 3.40% (fixed)**
- For existing **Subsidized Loans** for undergrad students dispersed from **July 01, 2006 to June 30, 2013: 6.80% (fixed)**

Fees:

A borrower will repay a **1.057% origination fee** to Direct Loans dispersed on or after **October 01, 2022 to September 30, 2023**. You will pay a **1.057% loan origination fee** to Direct Loans dispersed on or after **October 01, 2021 to September 30, 2022**. You will pay **1.057% loan origination fee** to Direct Loans dispersed on or after **October 01, 2020 to September 30, 2021**. You will pay **1.059% loan origination fee** for Direct Loans dispersed on or after **October 01, 2019 to September 30, 2020**. Terms and conditions of Title IV Loans may be more favorable to the borrower than private education loans.

Repayment:

Repayment begins following a 6-month grace period after the student graduates, withdraws from school, or drops below half-time.



The infographic compares Subsidized and Unsubsidized loans. On the left, under 'Subsidized', it lists: 'Only available to undergraduates', 'Based on financial need', 'Interest doesn't accrue until leaving school', 'Government pays interest while student is enrolled', and 'Lower loan limits'. On the right, under 'Unsubsidized', it lists: 'Available to both undergraduates and graduates', 'No financial need required', 'Interest accrues from time of disbursement', 'Government doesn't help with interest', and 'Higher loan limits'. A 'vs.' circle is between the two columns. An icon of a building with an arrow pointing up is at the bottom right. The Investopedia logo is at the bottom left.

DEFINITIONS:

FINANCIAL AID FREEZE DATE: The point at which a student's enrollment status is "locked" for Financial Aid purposes.

SUBSIDIZED LOAN: Loan for undergraduate students with financial need, as determined by the student's cost of attendance minus expected family contributions and other financial aid.

UNSUBSIDIZED LOAN: Loans for both undergraduate and graduate students that are not based on financial need. Students will begin paying back an unsubsidized loan post-graduation.



DIRECT PARENT PLUS LOAN: Unsubsidized loans for the parents of dependent students and for graduate/professional students.

TITLE IV FUNDS: A school is accredited by the Department of Education to participate in federal student aid programs. Federal funds also known as pell grant, is a grant awarded to specific students who meet a criterion based off economic need for education purposes. Federal Subsidized and Unsubsidized Loans are included in this funding.

Attachments:

- A. Entrance Counseling and Master Promissory Note Instructions

ATTACHEMENT A

Prior to a student's loan processing, the student is **required** to complete the below requirements:

ENTRANCE COUNSELING:

What you will need?

- School name: Cochise Community College
- Details on your income, Financial Aid and living expenses

STEPS REQUIRED:

1. Go to studentaid.gov (link) and click on Entrance Counseling on the home page.
2. Log in and use the same sign in information from your FAFSA.gov account or click Create and Account.
3. Once a student is logged in, a **WARNING** box will pop up; please read the information carefully and click accept if you agree.
4. Click on complete Entrance Counseling
 - a. Counseling sessions take approximately 20-30 minutes to complete. The student must complete the counseling in a single session. A student **CANNOT** save a partially completed counseling session.

Once a student submits the Entrance Counseling; the Financial Aid Department will receive an electronic notification of completion. Please allow 24-48 hours for processing time.

MASTER PROMISSORY NOTE:

1. Go to studentaid.gov (link) and click on Master Promissory Note on the home page.
2. Log in and use the same sign in information from your FAFSA.gov account or click Create and Account.
3. Once a student is logged in, a **WARNING** box will pop up; please read the information carefully and click accept if you agree.
4. Complete the Master Promissory Note
5. Verify the information
6. Submit References
7. Review and Edit
8. Sign and Submit
9. Student must complete the MPN yearly

The Master Promissory Note is a *legal* document in which a student will promise to repay any loan(s) and any accrued interest and fees to the U.S. Department of Education. Terms and Conditions will be explained on the website as well.

Once a student submits the Master Promissory Note; the Financial Aid Department will receive an electronic notification of completion. Please allow 24-48 hours for processing time.

Approval: _____



Karen Emmer, Financial Aid Director