

# Student Loan Policy

The primary purpose of financial aid is to provide financial resources to students who are otherwise unable to pursue post-secondary education. The Cincinnati State Technical and Community College Office of Financial Aid will make every effort to meet the demonstrated needs of the students in an ethical and consistent manner.

Though it is felt that the primary responsibility for financing post-secondary education rests with the student and his/her family, every effort is made to provide necessary supplemental funding to ensure that no student is denied the opportunity to attend Cincinnati State and Technical Community College because of financial limitations.

## POLICY GUIDELINES

### Financial Aid Programs

- Federal Stafford Subsidized Loan
- Federal Stafford Unsubsidized Loan

### Definitions

Subsidized Stafford loans are awarded to meet a remaining need not met by grant assistance. Federal rules regarding class level and cumulative maximum amounts are followed by the Office of Financial Aid.

Unsubsidized Stafford Loans are federal Stafford Loans offered to undergraduate students, regardless of financial need. Federal rules regarding class level and cumulative maximum amounts are followed by the Office of Financial Aid.

### Requirements

Students must be enrolled in and attending at least six (6) eligible credit hours per term at Cincinnati State to receive a Stafford loan. (Summer hours are calculated the same as any other term. Students will have to have at least six (6) eligible credit hours to be eligible for a loan). Students must complete a Loan Acceptance E-Form each academic year to accept their student loan. Additionally, first-time borrowers at Cincinnati State must complete Financial Literacy for You (F.L.Y.) financial literacy session.

### Eligibility

Financial aid eligibility is measured using federal, state, CS and institutional standards. All students must meet program eligibility criteria as established by the funding entity. All students are required to have a valid Institutional Student Information Report (ISIR) on file before aid is awarded. All students must be enrolled into an eligible program or degree seeking program to be considered for financial aid funding. In addition, students' must maintain meeting the minimum standards for academic progress. These packaging standards given are for all students who qualify for financial aid funding.

Eligibility is based on the students' **cost of attendance**, expected family contribution, and other financial aid sources. Typically, student loans are the last type of aid awarded. When combined with other sources of aid, student loans may not exceed your cost of attendance.

### Repayment of Stafford Loans

Student loans are not gift aid and must be repaid. Loans may be interest free during periods of enrollment, or if you have a high EFC, the interest may accrue while you are enrolled.

Payments on your loan begin after you complete your program, leave school, or drop below half-time attendance. For most students, there is a six month grace period from your last date of attendance to when you must begin making payments.

### **Awarding of Student Loans**

Cincinnati State offers financial aid in the form of employment, loans, grants, and scholarships. In order to serve the large number of students needing financial assistance, the college coordinates various elements of each student's financial aid program. This "packaging" approach may include assistance from two or more sources of financial aid. The college's goal is to award all applicants the maximum scholarship, grant, loan, and work study for which they qualify, given restrictions in availability of funds, institutional policies, and federal guidelines.

All eligible students will be packaged with Federal Stafford Subsidized Loan during the awarding of financial aid. Student who are only eligible to receive or interested in receiving Federal Stafford Subsidized and Unsubsidized Loan must have remaining eligibility.

### **STEPS TO COMPLETE ENTRANCE COUNSELING & A MASTER PROMISSORY NOTE**

- Go to [www.studentloans.gov](http://www.studentloans.gov)
- Under "Manage My Direct Loan", select the green "Sign In" box
- Enter the requested personal information
- Select "Complete Entrance Counseling"
- Follow all steps through completion
- Once finished with Entrance Counseling, select "Complete Master Promissory Note" from the home page
- Select "Subsidized/Unsubsidized" and follow all steps through completion

### **Student Loan Disbursement**

All loans are required to be disbursed in multiple payments. Fall/Spring/Summer loans are split amongst the three terms, with one-third of the amount disbursed in each term. Students who plan to attend for one term, their student loan will be disbursed in two equal payments. For first-time borrowers, the U.S. Department of Education requires a 30-day hold on the disbursement, beginning with the term's start date. Students should review each term disbursement schedule available from the Office of Financial Aid website.

### **Loan Limits**

The Department of Education limits the maximum period of time in which first time borrowers can receive Subsidized Loans. Students may not receive a Subsidized Loan for more than 150 percent of the published length of their program.

### **Annual Limits for Sub/Unsub Loans**

#### **Dependent Undergraduates (excluding dependent students whose parents can't get PLUS)**

First Year..... \$ 3,500

..... \$ 5,500

Second Year..... \$ 4,500

..... \$ 6,500

#### **Independent Undergraduates & Dependent Students whose parents can't get PLUS**

First Year..... \$  
3,500..... \$ 9,500  
Second Year..... \$ 4,500  
.....\$ 10,500

**Aggregate Limits for Sub/Unsub Loans**

**Dependent Undergraduates (excluding those whose  
parents can't borrow PLUS).....\$ 23,000.....  
\$31,000**

**Independent Undergrads & Dependent Students whose  
parents can't get PLUS.....\$ 23,000.....  
\$ 57,500**