

WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

College of the Mainland (COM) participates in the William D. Ford Federal Direct Loan program. This loan program allows students and the parent(s) of a dependent student to borrow funds directly from the federal government to help meet the financial costs of a college education.

Below is a brief description of each of the programs offered:

Direct Subsidized Student Loan

- Available to dependent and independent students. They are low-interest, long-term loans made through the U.S. Department of Education for students who demonstrate financial need (cost of attendance minus expected family contribution minus other aid).
- The interest rate for a **subsidized** loan made to an undergraduate student beginning July 1, 2016, is 3.76%. There is a 1.069% processing fee. This loan accrues interest once the student ceases to be enrolled half time (6 credit hours).
- Repayment of the loan begins six months after a student fails to enroll at least half-time (6 credit hours), withdraws from school (officially or unofficially) or graduates from school.
- The maximum amount a student can borrow on an annual basis is-
 - \$3,500 for a first-year student
 - \$4,500 for a second-year student

Direct Unsubsidized Student Loan

- Available to dependent and independent students. They are low-interest, long-term loans made through the U. S. Department of Education for students who have additional need or are identified as no-need students (independent students).
- The interest rate for an **unsubsidized** loan made to an undergraduate student beginning July 1, 2016, is 3.76%. There is a 1.069% processing fee. The interest on this loan begins to accrue immediately but can be postponed until the borrower enters repayment.
- Repayment of the loan begins six months after a student fails to enroll at least half-time (6 credit hours), withdraws from school (officially or unofficially) or graduates from school.
- The maximum unsubsidized amount a student can borrow for one year is
 - \$2,000 for first and second year students, plus any amount that the student did not qualify to receive under the subsidized loan.

Direct Parent Loan for Undergraduate Students (PLUS)

- Available to parents of dependent students. You must be the student's biological or adoptive parent or the student's stepparent, if the biological or adoptive parent has remarried at the time of application. Your child must be enrolled at least half-time (6 credit hours each semester). Parent PLUS loan borrowers cannot have an adverse credit history (the parent's credit will be checked). In addition, parents and their dependent child must be U.S. citizens or eligible noncitizens, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the Federal Student Aid programs.
- The Parent PLUS Loan interest rate is fixed at 6.31%, with a 4.276% processing fee. Interest is charged during all periods, beginning on the date of the first loan disbursement.
- Repayment of the loan begins 60-days after the loan is completely disbursed for the year.
- Parent PLUS Loan borrowers may borrow up to the amount of the school-determined cost of attendance minus any other financial aid the student is receiving.

IMPORTANT NOTE: All College of the Mainland (COM) student loans refunds will be disbursed in two disbursements per semester (two for the fall, two for the spring, and two for summer). In addition, federal law requires that COM hold the first disbursement of the loan for all first-time students, first-time borrowers at COM until 30-days after the first day of classes. Please keep this information in mind when looking for your refunds.