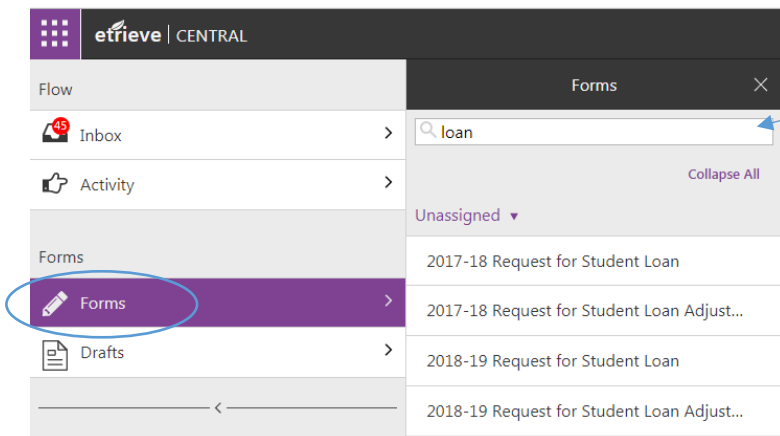


# Loan Basics

## What steps do I need to complete?

- ✓ Complete the [FAFSA](#) (note: school years begin in Fall and end in Summer)
- ✓ Register for 6 credit hrs. that fit your SCC degree program
- ✓ Complete Loan [Entrance Counseling](#) at [www.studentloans.gov](http://www.studentloans.gov)
- ✓ Complete a Loan [Master Promissory Note](#) at [www.studentloans.gov](http://www.studentloans.gov)
- ✓ Complete a "Loan Request" [eform](#)



Tip: For quick look-up in Eforms, use the search box.

*Note: Be careful to select the correct forms. School years begin in Fall and end in Summer. Example: 2018-19 eform is for Fall 2018, Spring 2019 and Summer 2019. Requesting a loan for Summer 2018 requires the 2017-18 form.*

## What are the deadlines I need to meet?

Enroll in 6 hrs. <i>(Must fit your degree!)</i>		Avoid Pre-Payment		Final Submissions	
FALL	Sep 15 <sup>th</sup>	FALL	Jul 1 <sup>st</sup>	FALL	Dec 1 <sup>st</sup>
SPRING	Feb 15 <sup>th</sup>	SPRING	Dec 1 <sup>st</sup>	SPRING	May 1 <sup>st</sup>
SUMMER	Jun 15 <sup>th</sup>	SUMMER	May 1 <sup>st</sup>	SUMMER	Jun 30 <sup>th</sup>

## How much can I borrow?

Borrow only what you need. You do not have to borrow the maximum amounts. **You are encouraged to complete Loan Entrance Counseling first before deciding on a loan amount.**

Dependency Status	Completed Credits	Annual Limit	Semester Limit	Annual Sub Limit
Dependent	0-29	5,500	2,750	3,500
Dependent	30-96	6,500	3,250	4,500
Independent	0-29	9,500	4,750	3,500
Independent	30-96	10,500	5,250	4,500

## Should I make an appointment?

First-time borrowers and Transfer students should meet with the Loan Coordinator to discuss a repayment plan. Students on SAP Probation are required to meet with the Loan Coordinator prior to receiving the loan. To set an appointment, contact Abby Vernon at 636-922-8586 or [abby\\_vernon@stchas.edu](mailto:abby_vernon@stchas.edu).

# Loan Basics

## Must I meet Satisfactory Academic Progress to borrow a loan?

Yes. Your SAP status must be in Good Standing. The following statuses DO NOT qualify for a loan:

Suspension	Maximum Hours	Dismissal	Prior Degree Earned
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## What is my Satisfactory Academic Progress status?

SAP status indicates how you are doing academically and provides measures which determines your eligibility for financial aid. You can view your SAP status in the My SCC Portal. Simply access from the drop-down menus at the top of your [FA Checklist](#) homepage. You can view the required SAP measures [online](#).

## What's the difference between Subsidized vs. Unsubsidized loans?

Subsidized loans do not accrue interest during school or periods of grace or deferment. Unsubsidized loans, on the other hand accrue interest during all periods. Both loan types accrue interest during repayment.

## Can I choose which loan type I receive?

Your FAFSA results will determine if you have a “*financial need*” for a subsidized loan. However, you may reject the unsubsidized loan or adjust your loan amounts once you see your Award Letter. Simply complete a “Loan Adjustment” eform to adjust your loan amounts. The basic formula is: COA (Cost of attendance) – EFC (FAFSA determined) = Financial Need.

## What is the current interest rate for federal loans?

Interest rates are based upon a market factor and can change annually. The rate for the 2018-19 school year July 1, 2018– June 30, 2019 is 5.05%. Visit <https://studentaid.ed.gov/sa/types/loans/interest-rates> for more information on interest rates.

## What is the loan origination fee?

This is a fee deducted from your loan amount and kept by the Dept. of Education to process your loan. The net amount of loan funds you will receive is the gross amount on your Award Letter minus this fee. When you repay your loan, you must repay the gross amount, which includes the origination fee. The current fee is 1.066%. Fees typically change every October 1<sup>st</sup>. Visit <https://studentaid.ed.gov/sa/types/loans/interest-rates> for up-to-date rates.

*Example: You qualify for \$3,500 subsidized loan. The net amount deposited to your student account is \$3,463 but you must repay the full \$3,500.*

## What happens if I drop below half-time enrollment?

Loan repayment could begin 6-months after you drop. When you drop, you are required to complete Loan Exit Counseling at [www.studentloans.gov](http://www.studentloans.gov). However, if you withdraw from *all* coursework, your grace period clock starts from the prior semester when you were last enrolled half-time.

*Example: You withdraw from all 18/SP coursework. You were last enrolled half-time during the previous 17/FA semester which ended in December. Your payment could begin as early as June.*