

SOUTH MOUNTAIN COMMUNITY COLLEGE

STUDENT LOAN INFORMATION

SMCC participates in the William D. Ford Federal Direct Loan program, overseen by the U.S. Department of Education. Students, who borrow from the Direct Loan Program, are encouraged to maintain their loans throughout the life of the loan with the William D. Ford Federal Direct Loan Program, as this program will provide many alternative payment options that other private companies, who offer consolidation services do not -- such as reducing your payment or delaying your payment for a year under special circumstances (deferments/forbearances).

SMCC students are offered base amounts of student loans at onset (\$3500 or \$4500 per year based on level of enrollment and dependency status). Students are allowed, however, to request additional unsubsidized loans funds based on enrollment and dependency status of up to \$6000 per year. ([Request for Additional Loan funds](#))

THREE IMPORTANT TIPS REGARDING STUDENT LOANS:

- 1) Develop a budget using a [budget calculator](#) before accepting a student loan.
- 2) Borrow only what you truly need as this debt can become overburdening.
- 3) **NEVER allow your loans to go into default when you begin repayment (after the 6-month grace period when leaving school). A default can have serious and adverse effect on your credit, your tax refunds, even your social security payments when you retire.**

REQUIREMENTS OF THE DIRECT LENDING PROGRAM:

New and returning student borrowers are required to eSign a [Federal Direct Loan Master Promissory Note](#) and complete [Federal Direct Loan Entrance Counseling](#). You will have to do this only once while in attendance at SMCC. Just because a student completes an MPN does not guarantee receipt of loan funds. Students must also meet all other eligibility criteria and be awarded.

SMCC does not participate in the PLUS (Parent Loan for Undergraduate Students) Loan Program. If families believe they require additional funding beyond what is offered to students through subsidized and unsubsidized Direct Loans, they may consider a private loan through a private lender, such as [Wells Fargo Private Student Loans](#) or [Sallie Mae Private Loans](#)

TIME LIMITS OF LOAN PROGRAMS

If a student is a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that a student can receive Direct Subsidized Loans. Subsidized loans are interest free while enrolled in college and only begin to accrue interest when the student leaves or graduates from college. The Direct Subsidized student loan limit does not apply to Direct Unsubsidized Loans. If this limit applies to you, you may not receive Direct Subsidized Loans for

more than 150 percent of the published length of your program. This is called your “maximum eligibility period.” Your maximum eligibility period is based on the published length of your current program. You can usually find the published length of any program of study in your school’s catalog.

For example, if you are enrolled in a two-year **associate degree** program, the maximum period for which you can receive Direct Subsidized Loans is three years (150 percent of 2 years = 3 years). If you are enrolled in a CCL (Certificate Program) of 1 year, the maximum period for which you can receive Direct Subsidized Loan is 1.5 years (150 percent of 1 year = 1.5 years).

Because your maximum eligibility period is based on the length of your current program of study, your maximum eligibility period can change if you change to a program that has a different length. Also, if you receive Direct Subsidized Loans for one program and then change to another program, the Direct Subsidized Loans you received for the earlier program will generally count toward your new maximum eligibility period.

Certain types of enrollment may cause you to become responsible for the interest that accrues on your Direct Subsidized Loans when the U.S. Department of Education usually would have paid the interest. These enrollment patterns are described below.

I become responsible for paying the interest that accrues on my Direct Subsidized Loans, when:

- I am no longer eligible for Direct Subsidized Loans and I stay enrolled in my current program
- I am no longer eligible for Direct Subsidized Loans, did not graduate from my prior program, and am enrolled in an undergraduate program that is the same length or shorter than my prior program
- I transferred into the shorter program and lost eligibility for Direct Subsidized Loans because I have received Direct Subsidized Loans for a period that equals or exceeds my new, lower maximum eligibility period, which is based on the length of the new program

LOAN RESOURCES

[FFEL and Direct Loan Interest Rates](#)

Find out more information about loan interest rates.

[Income Based Repayment Plan](#)

Find our more information about the new Income Based Repayment (IBR) Plan for federal student loans.

[NSLDS Student Access](#)

The National Student Loan Data System contains all of your Title IV aid history including Pell Grant, which has a Lifetime Limit as well as federal student loans.

[In-school Deferments](#)

It's a good idea to make sure your loans borrowed through other schools are in deferment while you are enrolled at least 6 credits or more.

The National Student Loan Data System (NSLDS) is a central database that tracks your financial aid history. NSLDS contains all of your Title IV aid history. Loan information will be submitted to NSLDS and it allows you and authorized agencies, lenders and institutions to view all types of funding from Federal grants, Federal Stafford loans, Direct loans, Perkins loans, and Plus loans. It tracks loan servicers, account numbers, current balances, loan status, disbursements, loan types, loan periods, interest rates, school name and contact information, grant history, and remaining eligibility.