



LOANS

The **Federal Direct Loan Program (DL)** provides two types of education loans that are used by many Houston Community College students and parents. Direct Subsidized/Unsubsidized Loan is available to undergraduate students, whereas the Federal Parent Loan for Dependent Students (PLUS) is available to parents of undergraduate students. Direct Loans are low-interest loans for students and parents to assist with paying for the costs of a student's education after high school. The lender is the U.S. Department of Education (DOE) rather than a bank.

Both loans require that students enroll in a degree program at the half-time (6 hours) level or above.

1. The Direct Subsidized Loan is a low interest, long-term loan available to students who demonstrate financial need. Students are not charged any interest before repayment begins or during authorized periods of deferment. The federal government “subsidizes” the interest during these periods while the students are enrolled at least half-time.
2. The Direct Unsubsidized Loan, which is not awarded on the basis of demonstrated financial need, is available to independent students who need additional assistance. Students will be charged interest from the time the loan is disbursed until it is paid in full. If the student allows the interest to accumulate while in school or during periods of nonpayment, it will be capitalized—that is, the interest will be added to the principal amount of the loan, and additional interest will be based upon the higher amount.
3. Direct Parent Loans to Undergraduate Students (PLUS) are available to parents, not to exceed the cost of attendance, minus any financial aid awarded to the students. These loans have a higher interest rate, and the borrower is responsible for paying all the interest that accrues.

Houston Community College and the U. S. Department of Education Direct Loan have developed a application process which allows students to complete the Entrance Counseling, Master Promissory Note, and/or Parent Loan for Undergraduate Students (PLUS) applications and also get immediate results for the PLUS Credit Check online.

Before you begin there are some things you will need to do

- You must complete a FAFSA application before applying for a loan (<http://www.fafsa.ed.gov/>).
- **You must select “Student Loans” or “Both” for loans and Work-Study question of the FAFSA. If not, a written request for the amount you would like to borrow will be required before a loan will be processed.**
- You must **Accept** your loan award(s).

Before you begin there are some things you will need to know

- You must be enrolled in and **attending** a minimum of 6 hours in order to receive loans.
- All requirements for receiving financial aid must be satisfied before you are eligible to receive loans.
- Loan application deadlines – see Loan Periods chart below.
- Loans must be repaid.

Loan Periods and Disbursement Dates - the period for which you are requesting your loan(s)

- Must correspond to the dates listed on the chart below.
- Your loan will be released in two or more installments. If you become ineligible to receive your loan disbursement due to dropping below 6 hours or officially or unofficially withdrawing from classes, all future disbursements will be cancelled. You must submit a written request for re-instatement of loan funds for other terms.
- **Funds will be disbursed to your HCC student account 30 calendar days after the first day of classes.**
- Your loan proceeds will be credited to your account via Direct Deposit or to the E-Card. You must log-in to your student account to select your method of refund.

2010-2011 LOAN PERIODS

Terms	Period	1st Disbursement	2nd Disbursement	Loan Request Deadline Dates
Fall/ Spring*	08/28/2010-05/15/2011	09/29/2010	02/21/2011	04/15/2011
Fall 2 nd Start/Spring	09/25/10 – 05/15/11	10/26/2010	02/21/2011	04/15/2011
Fall 2nd Start/Spring 2 nd Start	09/25/2010-05/15/2011	10/26/2010	03/11/11	04/15/2011
Fall Only	08/28/2010-12/19/2010	09/29/2010	10/25/2010	11/15/2010
Fall-2 nd Start Only	09/25/2010-12/19/2010	10/26/2010	11/08/2010	11/15/2010
Spring Only	01/18/2011-05/15/2011	02/21/2011	03/21/2011	04/15/2011
Spring 2 nd Start Only	02/12/2011-05/15/2011	03/11/2011	04/12/2011	04/15/2011

*You must be enrolled in 6 hours to receive your loan proceeds. In the event that you are not enrolled in 6 hours, your loan will not disburse until you are. If you are enrolled in 3 hours for 1st Start and 3 hours for 2nd Start, your refund will not be processed until the OE date for 2nd start (October 5th)

Disbursement dates are determined by course dates and eligibility.

Maximum loan amounts - below are the maximum amounts that you may borrow for a 12 month period. However, depending on your financial need and program of study, you might not be eligible to receive the full amount that you requested. Even if you are eligible for the full amount, consider whether you need to borrow the full amount.

First year student	Dependent student Subsidized/Unsubsidized	Independent student Subsidized/Unsubsidized
<i>(Up to 29 completed hours)**</i>		
Two terms (Fall and Spring)	\$3,500 + \$2,000	\$3,500 + \$6,000
One term (Fall or Spring)	\$1,750 + \$1,000	\$1,750 + \$3,000
Second year student <i>(30 or more hours completed)**</i>		
Two terms (Fall and Spring)	\$4,500 + \$2,000	\$4,500 + \$6,000
One term (Fall or Spring)	\$2,250 + \$1,000	\$2,250 + \$3,000

** Only hours completed at Houston Community College are used to determine loan eligibility.

Please note - A dependent student, if eligible, may borrow in excess of \$3,500 for first-year students and \$4,500 for second-year students, only after the parent has applied for and has been denied a PLUS. The additional loan would be an Unsubsidized Stafford Loan not to exceed \$4,000.

Aggregate Limits Maximum Amounts Over Academic Career	
Type of Student	Maximum (Subsidized and Unsubsidized)
Dependent undergraduates	\$31,000 — no more than \$23,000 of this amount may be subsidized
Independent undergraduates (and dependent undergraduates whose parents are unable to borrow under the PLUS Loan Program)	\$57,500 — no more than \$23,000 of this amount may be subsidized

After You Have Applied for Your Direct Loan

Right to Cancel or Reduce Loan Proceeds - You (or your parent in the case of a PLUS loan) have the right to cancel all or part of the Direct Loan or disbursement. If you wish to exercise your right, please submit a signed written request to the Campus Financial Aid Office. The request for cancellation or reduction must be received by the Financial Aid Office prior to the loan being disbursed to you. After the loan is disbursed to you, you must return the funds directly to Department of Education.

The Financial Aid Office requests that you check your student record and student e-mail on the Student Self-Service website for updates to your financial aid package. Please contact your HCC Campus Financial Aid Office if you have questions about your student loans or about other financial aid programs at HCC.