

2024-2025 Federal Direct Loan Information

Students may apply for a loan for the 2024-2025 Academic Year (Fall and Spring) between September 3- November 29 or February 3 - April 29.

What is a Federal Direct Student Loan?

A Federal Direct Student Loan is a long-term financial obligation. We have provided this brochure to help you make an informed decision about borrowing a student loan, to understand the LPC loan process, and loan policies. We hope you will seriously evaluate whether taking on loan debt is truly necessary to make ends meet. We strongly recommend you look at other ways to meet your current financial needs by more careful spending and budgeting, taking on a part-time job, etc. If you decide a loan is a necessity to meet your educational expenses, borrow only what you need. Please contact the Financial Aid Office (FAO) with any questions.

To be considered for a Direct Loan, you must:

- Submit all Financial Aid Requirements indicated in Class Web to the Financial Aid Office;
- Be meeting financial aid established satisfactory academic progress (SAP) standards;
- Complete a Student Educational Plan (SEP) with a counselor for your declared academic objective. Your academic objective must be an eligible certificate, Associate degree, or Associate Degree for transfer program;
- Your official college degree and major must match exactly with your SEP degree and major;
- Be enrolled at least half-time (six units) during the loan period. The courses you are enrolled in must meet required courses for your academic objective as indicated on your SEP;
- Provide official transcripts from all other colleges you have borrowed loans from (if you have a BA, you must also complete an Excessive Units petition and it must be approved prior to loan approval).

If a student owes an overpayment of Title IV Financial Aid to any college or is in default on a prior student loan, s/he is ineligible to receive any federal financial aid (including loans). The FAO at LPC reserves the right to deny a loan on a case-by-case basis. Reasons may include but are not limited to: a history indicating prior loan default, poor academic progress, or an aggregate loan debt equal to or exceeding \$15,500 (dependent student) or \$28,750 (independent student).

| Interest Rates and Fees (Effective July 1, 2024) | | |
|--|---------------|---|
| Federal Loan Type | Interest Rate | Origination Fee |
| Direct Subsidized | 6.53% | 1.057% through September 30, 2024 1.057% on or after October 1, 2024 |
| Direct Unsubsidized | 6.53% | 1.057% through September 30, 2024 1.057% on or after October 1, 2024 |

What type of Federal Direct Student Loan could I be eligible for?

Federal Direct Student loans are to be used to pay direct educational expenses (tuition and fees) and indirect expenses (books, supplies, room and board, dependent childcare expenses, transportation, and computer costs. Repayment begins six months after you graduate or drop below half-time.

- **Subsidized Loan:** Based on financial need. The federal government pays your interest while you are enrolled at least half-time, or are in a deferment period.
- **Unsubsidized Loan:** Not based on financial need. Interest accrues from the time the loan funds are transferred to the college. The student is responsible to pay all interest accrued on an unsubsidized loan.

Determination of Loan Eligibility

Our loan process involves the following:

- Review of your total loan debt, grade level, program level, academic progress status, and current enrollment information;
- Review of your prior loan history to ensure you are not in default;
- For new students without an academic history at LPC or those with a questionable academic history, we will contact your instructors to confirm your attendance and academic progress in your current classes as part of the approval process.

Federal Loan Limits:

The chart below shows the loan limits for students based on units and dependency status. Your unmet need is used to determine your loan eligibility, which means you may not qualify for the maximums shown in the chart below. LPC will not adjust your loan amount if you advance to the 2nd year level during the academic year.

$$\text{Unmet Need} = \text{Cost of Attendance} - \text{Student Aid Index (SAI)} - \text{Financial Aid} - \text{Other Resources}$$

| Loan Limits for Direct Subsidized and Unsubsidized Loans: | | |
|---|---|---|
| If your Academic Level at LPC is... | And you are a Dependent Student... | And you are an Independent Student... |
| 1st Year: 0 – 29.5 units earned at LPC | You may qualify for \$5,500 (Maximum \$3,500 Subsidized). | You may qualify for \$9,500 (Maximum \$3,500 Subsidized). |
| 2nd Year: 30 or more units earned at LPC | You may qualify for \$6,500 (Maximum \$4,500 Subsidized). | You may qualify for \$10,500 (Maximum \$4,500 Subsidized). |
| Your Maximum undergraduate Aggregate Loan amount may not exceed... | Total of \$31,000 (only \$23,000 may be in Subsidized Loans) | Total of \$57,500 (only \$23,000 may be in Subsidized Loans) |

Grade Level for Loan Limit Determination

A 2nd year undergraduate student is eligible for a higher amount of loan. If you want to include other prior college units so that you qualify as a second-year student, you need to submit your official academic transcripts and ensure they are evaluated by a counselor when you complete your Student Education Plan. Doing so will ensure review of the number of prior college units you have which may be applied to your current academic program.

LPC Loan Policies

- **Loan Approval/Denial** – LPC’s Financial Aid Office may deny a loan application for a student who demonstrates poor academic progress, if student already has a high cumulative student loan debt, or other reasons on a case by case basis.
- **Prior Transcript Requirement** – Students who are borrowing at LPC for the first time and have outstanding loan balances from previous colleges are required to submit official transcripts before a loan is approved.
- **Loan Payments** – Loans will be authorized only after the add/drop period is completed each semester. New borrowers are required to wait 30 days into their first semester to receive their first disbursement. If enrolled in late-start classes, at least 6 units of their courses must have begun before funds can be released.
- **Disbursement of loans** – **All loans are disbursed in two payments.** Loans awarded for the full 9-month school year are disbursed half in fall and half in spring. Single semester loans are also disbursed in two payments within the same term. LPC does not award loans for the summer term.

STEPS IN THE DIRECT LOAN PROCESS

Step 1

Submit a 2024-2025 FAFSA application (<https://studentaid.gov/h/apply-for-aid/fafsa>). Once your FAFSA is received, you can review your Class Web account to see if you need to complete any Financial Aid Requirements. Be sure to complete them.

Step 2

Complete your Entrance Counseling and Master Promissory Note online at <https://studentaid.gov/entrance-counseling/>

Step 3

Complete the Student Loan Request application and submit it with a completed Student Education Plan (SEP) from Counseling (abbreviated plans will NOT be accepted). If you are a new student at LPC, we will be contacting your instructors regarding your academic progress in their courses BEFORE any disbursement of your loan is made.

Step 4

You will be notified by the FAO by email to your Zonemail account whether or not you are approved or denied. Please allow up to 4 weeks. If you are approved, we will notify you via Zonemail when we disburse the loan payments to you.

Step 5

Complete Exit Counseling online at <https://studentaid.gov/exit-counseling/> (your second disbursement will not be released until it is completed).

Contact Information and Useful Websites:

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| FAO Phone: (925) 424-1580 FAO Fax: (925) 449-6038 | FAO Email: lpcfinaid@laspositascollege.edu |
| Create/Manage FSA ID: https://studentaid.gov/fsa-id/create-account/launch | Apply for FAFSA: https://studentaid.gov/h/apply-for-aid/fafsa |
| Complete MPN, Entrance, or Exit Counseling: https://studentaid.gov/exit-counseling/ | Student Loan History (NSLDS): https://studentaid.gov/h/manage-loans |
| LPC Loan website: http://www.laspositascollege.edu/financialaid/loans.php | Class Web: https://bw11.clpccd.cc.ca.us/ |

