10.3.4 Federal Direct Subsidized Stafford Loan Program
The Federal Subsidized Stafford Loan Program provides low interest deferred payment loans to undergraduate and graduate students who demonstrate financial need. These funds assist students with educational expenses.

10.3.5 Purpose of Program
This loan program creates an incentive for Direct Lending institutions to loan funds to students without a credit history. This ability to borrow helps the needy students meet the cost of postsecondary education. This program is administered by the institution and The U.S. Dept of Ed Direct Loan.

10.3.5.2 Institutional Policy Statement
Determining Eligibility
In order to determine eligibility for any federal financial aid program, students must file a Free Application for Federal Student Aid (FAFSA) and have the results sent to WJU. The FAO will accept results through electronic transmission with the Central Processing System (CPS). Student eligibility is determined only through the CPS of the Department of Education using the Federal Methodology need analysis formula. The FAO must have an official EFC before eligibility for any fund may be determined. A Subsidized Stafford Loan is awarded to a student, if he/she has remaining eligibility after the Federal Pell Grant, Student Work Opportunity Program, Institutional Grants, and Scholarships have been awarded.

Subsidized Stafford Loan funds are also awarded to Part-time students, which are pro-rated according to enrollment status. *Undergraduate students must be actively enrolled in at least 6 credit hours to be eligible to borrow a Direct Stafford loan. Graduate students must be actively enrolled in at least 6 credit hours to be eligible.

Students are notified of the amount of their Direct Stafford Loan eligibility through an award letter. The student receives a disclosure statement from the DOE stating when funds are to be disbursed and when the student may receive disbursement. Direct Stafford Loan recipients must complete a Master Promissory Note and Entrance Counseling before the loan funds can credited to their student account.

Origination of Loan Applications
Loan origination will not be completed until:
1. Documentation of dependency status is on file.
2. Verification is complete, if necessary.
3. All other financial assistance is reported.
Exceptions should be carefully documented and monitored by the certifying Aid Administrator to ensure proper disbursement of loan funds occurs.

Payment
Subsidized Stafford Loan funds are disbursed to students no earlier than seven days prior to the first day of classes for those students who have a signed MPN and Entrance Counseling. Before disbursement, a match is made to ensure the student remains eligible for the loan and is registered for the appropriate number of classes.

Overawards
Once the entire Subsidized Stafford Loan have been credited to the student account, any refund is issued to the student. If however, the student becomes ineligible between certification and receipt of the loan funds, the loan is canceled or reduced. The money is returned to the DOE and a new check is issued if necessary.

Recordkeeping
Financial aid records are maintained in students' folders as well as on the computer. Student records include the demonstration of need and Federal Direct Subsidized Loan eligibility. The Aid Administrators are responsible for account management and appropriate security for student aid account transactions and how need was met for all aided students.

The Registrar’s Office is responsible for the submission of all Student Status Confirmation Reports (SSCR) after completion by the Office of the Registrar, notifying lenders and DOE of address changes, of enrollment changes, and ensuring office compliance. This is done via the National Student Loan Clearinghouse.

Returning Checks to DOE and Lenders
The Financial Aid Assistant is responsible for returning funds to DOE and/or lenders if the student is not registered, if the institution cannot document the student’s attendance
in any class, or if the disbursement is received after student has ceased to maintain eligibility.

10.3.5.3 Student Eligibility
Students must meet general eligibility for Federal Title IV funds as described in Section 10.2.

10.3.5.4 Maximum Awards
Listed below are the Maximum awards:

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$3,500</td>
</tr>
<tr>
<td>Sophomore</td>
<td>$4,500</td>
</tr>
<tr>
<td>Junior</td>
<td>$5,500</td>
</tr>
<tr>
<td>Senior</td>
<td>$5,500</td>
</tr>
</tbody>
</table>

10.3.5.5 Processing Procedure
See Section 14 for processing information

10.3.5.6 Disbursement Procedures
See Section 15 for disbursement information.

10.3.5.6 Entrance/Exit Loan Counseling

**Entrance Counseling**
All first-time borrowers or transfer and re-entry students borrowing a federal loan on or after July 1, 1990 are required to complete an entrance counseling or sign and date an Entrance Counseling agreement. All students must complete the agreement before the loan is disbursed.

**Exit Loan Counseling**
Students who are graduating are notified that they are required to complete an Exit Loan counseling or must sign and date an agreement upon completion. Students who terminate attendance by means other than graduation or students who indicate they cannot attend are sent a letter to complete the exit counseling online or completing a form in the Financial Aid Office.
10.3.5.8 Report to Lenders
The Registrar’s Office electronically submits the Student Status Confirmation Report (SSCR) through the National Student Loan Clearinghouse.

10.3.6 Federal Direct Unsubsidized Loan Program
The Federal Direct Unsubsidized Stafford Loan Program provides low interest deferred payment loans to undergraduate and graduate students regardless of financial need. These funds assist students with educational expenses.

10.3.6.1 Purpose of the Program
This loan program creates an incentive to loan funds to students without a credit history. This ability to borrow helps the needy students meet the cost of postsecondary education.

10.3.6.2 Institutional Policy Statement
Federal Unsubsidized Stafford Loan is included in an original award to students, as long as they meet eligibility requirements.

10.3.6.3 Student Eligibility
Students must meet general eligibility for Federal Title IV funds as described in Section 10.2. All dependent students are eligible for $2,000 additional Unsubsidized loan. Dependent students are not permitted to borrow the additional Unsubsidized loan unless the parents have been denied a PLUS loan. Independent students are automatically eligible.

10.3.6.4 Maximum Awards
Listed below are the Maximum awards:

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$6,000</td>
</tr>
<tr>
<td>Sophomore</td>
<td>$6,000</td>
</tr>
<tr>
<td>Junior</td>
<td>$7,000</td>
</tr>
<tr>
<td>Senior</td>
<td>$7,000</td>
</tr>
<tr>
<td>Graduate/Professional</td>
<td>$20,500</td>
</tr>
</tbody>
</table>

10.3.6.5 Processing Procedures
See Section 14 for processing information
10.3.6.6 Disbursement Procedures
See Section 15 for disbursement information

10.3.6.7 Entrance/Exit Loan Counseling

Entrance Counseling
All first-time borrowers or transfer and re-entry students borrowing a federal loan on or after July 1, 1990 are required to complete an entrance counseling or sign and date an Entrance Counseling agreement. All students must complete the agreement before the loan is disbursed.

Exit Loan Counseling
Students who are graduating are notified that they are required to complete Exit Loan counseling or must sign and date an agreement upon completion. Students who terminate attendance by means other than graduation or students who indicate they cannot attend are sent a letter to complete the exit counseling online or completing a form in the Financial Aid Office.

10.3.6.8 Report to DOE and Lenders
If a student withdraws or leaves school, the lending institution must be notified within sixty days. The Registrar’s Office electronically submits the Student Status Confirmation Report (SSCR) through the National Student Loan Clearinghouse.

10.3.7 Federal Direct Parent Loan for Undergraduate Students (PLUS)

The PLUS provides non-subsidized low or capped interest rate loans to parents of undergraduate students regardless of financial need. These funds assist students with educational expenses.

10.3.7.1 Purpose of the Program
The purpose of the PLUS program is to provide non-subsidized low or capped interest rate loans with deferred repayment to parents of dependent students.

10.3.7.2 Institutional Policy Statement
The PLUS loan may be used to replace family contribution to the extent that it does not exceed the difference between the student’s cost of
attendance and other financial aid. PLUS loans are processed for parents or guardians of dependent undergraduate students.

The student, for whom the parent is borrowing the loan, must meet all of the eligibility criteria for financial aid, except need analysis, and Pell Grant eligibility.

The parent borrower must meet the citizenship criteria and not be in default or owe a repayment on a Title IV loan or grant.

10.3.7.3 Student eligibility
Students must meet general eligibility for Federal Title IV funds are described in Section 10.2

10.3.7.4 Minimum and Maximum Awards
The maximum award for the PLUS loan is the cost of education minus other financial assistance. Although there is no minimum regulated, DOE typically will not loan amounts for less than $100.00. There is not an aggregate borrowing limit.

10.3.7.5 Processing Procedures
See Section 14 for processing information

10.3.7.6 Disbursement Procedures
PLUS loans are disbursed via Electronic Transfer. This is only after the FAO received a sign Master Promissory Note from the Parent borrower.

10.3.7.7 Report to DOE
If a student withdraws or leaves school, the DOE must be notified within sixty days. The Registrar’s Office electronically submits the Student Status Confirmation Report (SSCR) through the National Student Loan Clearinghouse.

10.3.8 Federal Direct Graduate PLUS

10.3.8.1 Purpose of the Program
The purpose of the Graduate PLUS program is to provide non-subsidized low or capped interest rate loans with deferred repayment to credit worthy graduate students.

10.3.8.2 Institutional Policy
The Grad PLUS loan may be used to replace family contribution to the extent that it does not exceed the difference between the student’s cost of
attendance and other financial aid. Grad PLUS loans are processed for graduate students.

10.3.8.3 Student Eligibility
Students must meet general eligibility for Federal Title IV funds are described in Section 10.2

10.3.8.4 Minimum and Maximum Awards
The maximum award for the Grad PLUS loan is the cost of education minus other financial assistance. Although there is no minimum regulated, DOE typically will not loan amounts for less than $100.00. There is not an aggregate borrowing limit.

10.3.8.5 Disbursement Procedures
Grad PLUS loans are disbursed via Electronic Transfer. This is only after the FAO received a sign Master Promissory Note from the Graduate borrower.

10.3.8.6 Report to DOE
If a student withdraws or leaves school, the DOE must be notified within sixty days. The Registrar’s Office electronically submits the Student Status Confirmation Report (SSCR) through the National Student Loan Clearinghouse.

14. Section Fourteen: Processing Loans

14.1 Federal Direct Stafford Subsidized and Unsubsidized Stafford Loans and PLUS loans

14.1.1 Loan Application Processing
Information to be completed in the school section of Federal Direct Stafford and PLUS Applications:

1. Name, address, and phone number.
2. School code – 003831
3. Loan Dates – Should be academic year instead of calendar year (If calendar year, must be approved by the Director of Financial Aid). Check previous year loan application to make sure loan dates don’t overlap.
4. Grade level.
5. Expected graduation date – Must calculate with grade level.
6. Disbursement Dates.
7. Cost of Attendance – total budget.
8. Expected Family Contribution – Derived from the FAFSA.
10. Lender name and code.
After completion of school section:

1. Application and Promissory note are sent to the DOE.
2. Date sent is recorded is saved in Datatel.

14.2 Perkins Loan

Business Office will inform the FAO when students have completed the Perkins Promissory Note and Personal Data Sheet. FAO will active the Perkins Loan for disbursement once all information has been verified and have a valid EFC on file.

14.3 Alternative Loans

14.3.1 Certification Procedures

Alternative loans generally have a similar school certification procedure.

14.4 Electronic Processing

Loan applications for Federal Direct subsidized and unsubsidized Stafford Loans and PLUS loans can be entered electronically. This should be done whenever possible to reduce the amount of paper flow in and out of the FAO.

15. **Section Fifteen: Disbursement of Funds**

15.1 Responsibility for Disbursement of Funds

The Financial Aid Office has the responsibility for posting disbursement of a loan, grant, or scholarship check as well as disbursement of Student Work paychecks.

15.2 Separation of Functions

There is a clear separation of functions between the FAO and the Bursar’s Office. The Aid Office assures and maintains the accurate and appropriate awarding of aid funds. These funds credit the student’s account. Any monies in excess of charges is disbursed to the student by Bursar’s Office staff.

15.3 Procedures

15.3.1 Verification of Identity of Student

Students must present a valid identification to receive financial aid monies from the Bursar’s Office (i.e., valid student I.D. card, or a driver’s license).
15.3.2 Verification of Status
The student’s eligibility status is checked by the financial aid office. Computer edit checks are run to ensure current eligibility before transmission, the status changes and the student becomes ineligible, an aid officer will manually cancel check.

15.3.3 Student Endorsement
Students are required to endorse co-payable checks before funds can be released (i.e. student loan checks). The student is the only person who may endorse the check. There are no substitutions and no exceptions to this policy. If a student is not available for a signature, (i.e., on an internship out-of-state), the student must submit a letter to the Bursar’s Office requesting that the check be sent to the student. The student may then endorse and return the check. The aid funds may then be credited to the student’s account and/or released to the student.