

Federal Direct Student Loan Requirements and Information

Before you take out a student loan, think carefully, because you do have to repay it! Check out [ways to cut costs](#) and only borrow the minimum amount you need. You do not have to take the full amount of a student loan offered to you. Be especially careful about borrowing during the first year, because if you decide to discontinue school you will still owe the debt. Be conscious of the total amount you will have borrowed by the time you graduate, and [what the repayments are likely to be](#). It is best to keep your monthly payments to not more than 8% of your estimated gross income after graduation.

Requirements

Entrance Counseling: All students are required to complete entrance counseling if planning to borrow from the Direct Subsidized loan or the Direct Unsubsidized loan. When completing the entrance counseling you will learn your rights and responsibilities as a borrower.

Exit Counseling: All students that have borrowed Direct Subsidized loans or Direct Unsubsidized loans that drop below half time status, graduate or withdraw from school are required to complete exit counseling. You will be reviewing your rights, responsibilities, different repayment options and the consequences of default.

Master Promissory Note (MPN): The Master Promissory Note is a legal document that collects your personal information. You are agreeing to repay the loan according to the terms even if you do not complete your education.

Information

National Student Loan Data System (NSLDS): [NSLDS](#) is a central database that tracks your financial aid history. 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.

Federal Student Aid: [FSA](#) is an office of the U.S. Department of Education. Visit their website for complete information on receiving financial aid for college.

DIRECT Loan Disbursement Information

First year, freshman students who have never borrowed under the Direct Loan Program, will have the initial disbursement scheduled at least **30** days after the beginning of the loan period.

Loan disbursements may be cancelled, and/or returned to the lender, at any point during the loan period, if a student falls to less than half-time enrollment, fails to meet the direct loan requirements and/or loses eligibility for federal financial aid. Students who have received loan funds and fail to maintain half-time enrollment within the loan period may be required to immediately repay the loan in full, and may not be eligible for any additional federal financial aid until the loan has been paid in full. In addition, the student may be denied services within the Maricopa Community College District (MCCD) such as, registering in classes, release of academic transcripts and grade reports.

Students who fall below half-time status in the fall semester may have the spring loan canceled. If eligible to reapply for a spring loan, the initial spring loan disbursement may be scheduled at least

30 days after the beginning of the spring loan period and their second spring loan disbursement will be scheduled no sooner than the midpoint of the spring semester.

All Direct Loans are disbursed at least twice within the loan period. In general, this means half in the fall semester and half in the spring semester. Each disbursement may NOT exceed one-half of the total approved loan.

Disbursement dates indicated on the Direct Subsidized/Unsubsidized Loan Notice of Guarantee are the dates the lender may begin electronic funds transfer (EFT) of student loan proceeds to Phoenix College. When received, loan proceeds will be credited to the student's account to pay outstanding tuition, fees, and book expenses. The Cashiers Office will disburse the remaining balance of loan proceeds, via MSRP, providing all requirements are met to receive the funds.