

# FEDERAL DIRECT LOAN PROGRAMS

Valencia students are eligible to participate in the Federal Direct Student Loan Programs. There are three programs: the Subsidized Federal Loan, the Unsubsidized Federal Loan, and the Parent Loan for Undergraduate Students (PLUS).

All loans must be repaid. Applicants must first apply for grants by completing the Free Application for Federal Student Aid (FAFSA).

First time borrowers at Valencia must complete an Entrance Counseling Program and a Master Promissory Note. Visit <https://valenciacollege.edu/finaid/programs/loans.php> for additional information.

Federal Direct Education Loans are established and supported by the federal government and the Department of Education serves as the lender. To receive any loan, you must enroll in at least six credits each term that count toward your degree.

## Direct Subsidized Loan

This loan requires unmet financial need. The federal government will pay the interest while you are enrolled in school, and you must repay the loan plus interest beginning 6 months after you leave school or drop to less than half-time status. You must be enrolled in at least 6 credits per term.

## Direct Unsubsidized Loan

This loan does NOT require financial need; however, you must first establish eligibility for need-based financial aid by completing your FAFSA. Interest will accrue on this loan while you are in school. You must repay the loan, accrued interest and current interest beginning 6 months after you leave school or drop to less than half-time status. You must be enrolled in a minimum of 6 credits per term.

## Direct Parent (PLUS) Loan

Parents of dependent students may borrow on behalf of their children. Income is not a factor; however, if a borrower has adverse credit history, but qualifies for a PLUS Loan through the process for reconsideration due to extenuating circumstances or by obtaining an endorser for the loan, the completion of PLUS loan counseling is required before disbursement of funds can take place. Students must first apply for all types of financial aid by completing their FAFSA. Steps on how to apply for a Direct Parent PLUS Loan are available here. For details on eligibility criteria, award amounts and interest rates, please visit <https://valenciacollege.edu/finaid/federal-direct-loans.php>

## How do I apply for a Federal Direct Loan?

You must first establish your eligibility for a Federal Pell Grant by completing all application steps listed earlier in this publication. A separate Loan Request, Entrance Counseling, and Master Promissory note is required. Instructions on applying for Federal Direct Loans are available at <https://valenciacollege.edu/finaid/federal-direct-loans.php>.

Preparatory Coursework Loans: If you're taking required prerequisite courses to get into a degree program, you might qualify for federal student loans for up to 12 months. These courses must be necessary for admission, approved by an academic advisor, and part of an eligible program offered by the school. For detailed eligibility requirements please

visit <https://valenciacollege.edu/finaid/federal-direct-loans.php> (<https://valenciacollege.edu/finaid/federal-direct-loans.php>).

## Private Education Loans

There are several private loans which are available to credit-worthy students and/or their co-borrowers. Students should first determine their eligibility by applying for FAFSA to determine Federal Loan eligibility before seeking additional funding under this option. To apply for a private loan, you must contact the lender of your choice. Information on the eligibility criteria and loan terms are available on each lender's website. Processing time of certification may take up to 7 business days from the time of enrollment. We do not certify alternative loans until the student is enrolled in the first term of the aid period indicated on the application. This prevents receiving funds for students who do not enroll. Processing time between the lender and the institution takes up to 9 business days.