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).

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

A Master Promissory Note is required for first time direct loan borrowers at Valencia.


Federal Direct Education Loans are established and supported by the federal government and the Department of Education serves as the lender. ALL FEDERAL STAFFORD EDUCATION LOANS MUST BE REPAID.

To receive any loan, you must enroll in at least six credits each term that count toward your degree.

Subsidized Federal Direct Education 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. Students with less than 30 credits toward their current program at the time of application may borrow up to $3,500 per year or the amount of unmet financial need, whichever is less. Students with 30 credits or more toward their current program at the time of application may borrow up to $4,500 per year or the amount of unmet financial need, whichever is less.

Unsubsidized Federal Direct Education 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. Dependent students with less than 30 credits toward their current program at the time of application may borrow up to $5,500 per year in combined subsidized and unsubsidized loans, not to exceed the cost of education less other financial aid. Students with 30 or more credits toward their current program at the time of application may borrow up to $6,500 per year in combined subsidized and unsubsidized loans, not to exceed the cost of education less other financial aid. Independent students and students whose parents are denied a Parent PLUS Loan, may borrow an additional $4,000, not to exceed the cost of education less other financial aid.

Parent Loan for Undergraduate Dependent Students (PLUS)

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. Loan amounts must not exceed the cost of education less other financial aid. Parent loans must be repaid over a 10–year period with interest beginning 60 days after disbursement. The student will be allowed to charge tuition and books against any authorized PLUS Loan funds. Parents must submit a Parent Loan Request to the Answer Center or complete the online request once the FAFSA has been received.

Alternative Loans

There are a number of 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.

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 Stafford Loan are available here (https://valenciacollege.edu/finaid/federal-direct-loans.php).