

## **Student Loan Policy**

**Loan Limits:** Student loans are limited to \$57,500. Of this amount, no more than \$23,000 can be subsidized loans. When a student at Cochise College reaches \$23,000 in subsidized loans, loan eligibility for this type of loan ends. For transfer students, this includes all loan totals from all schools.

### **Maximum Annual Loan Amounts**

- **Freshman (0-32 credits)**  
Dependent: subsidized \$3,500 per school year; unsubsidized, \$2,000 per school year.  
Independent: subsidized, \$3,500 per school year; unsubsidized \$6,000 per school year
- **Sophomore (33 or more credits)**  
Dependent: subsidized, \$4,500 per school year; unsubsidized, \$2,000 per school year.  
Independent: subsidized, \$4,500 per school year; unsubsidized, \$6,000 per school year
- **Maximum Aggregate Loan Amounts**  
Borrower's academic level sub+unsub totals at all schools= \$57,500.

**First-Time Borrowers:** If you are a first-year student and a first-time borrower, you will be required to attend class for 30 days before receiving your loan money. This is Department of Education policy and cannot be waived.

**Loan Counseling:** Each student is required to complete [entrance loan counseling \(website\)](#) before receiving their loan(s). A student must also complete a [Master Promissory Note \(website\)](#). Likewise, before a student withdraws, graduates, or drops below half-time attendance, regulations require completion of [exit counseling \(website\)](#). Once you receive a Stafford Loan, you will be required to complete an exit interview before you leave school or fall below 6 credit hours.

**PLUS:** If you or your parents are applying for a Parent Plus or Alternative Education loan, you must still be processed for financial aid and complete all required documentation. The maximum amount that can be borrowed is equal to the cost of attendance as determined by Cochise College for the loan period, minus ALL other grants, scholarships, third party payments, work-study, resident assistant, fee waivers, or any other outside funds.

**Transfer Students:** Official academic transcripts will be required of all transfer students who display in NSLDS (National Student Loan Database System) that they have attended previous colleges and/or have substantial student loan debt. Transcripts will be evaluated and restricted enrollment enforced when applicable. Students who have not met our academic standards (2.0 CGPA and completion of 75% of classes attempted) at the prior colleges will be evaluated with the same probation and suspension standards currently in place for Cochise College students. Students who consistently have received W and F grades will be required to complete a minimum of six credit hours with a 2.0 or better GPA using their own resources before federal aid will be approved. For more information, read the Financial Aid Satisfactory Progress policy below. Once a student's total loans from all schools equals **\$57,500**, he/she will no longer be eligible for student loans at Cochise College.

**Disbursement:** Your loan will be disbursed in two installments, one-half of your loan per semester, except if your loan is only one semester in length. If you have a one-semester loan, the loan will be split into two disbursements in that semester. Your loan funds will first be applied to your student account to pay any outstanding balance you may have.

**Loan Adjustments:** If you have received a loan and other funding is awarded, which brings you to a negative unmet need, your loan award will be adjusted accordingly. In other words, if you have received \$500 in loan and you get a \$200 scholarship after the loan has been paid, which brings your unmet need to a negative \$200, we need to return \$200 from the loan payment. You are not allowed to receive more than the cost of attendance (unmet need).

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**Interest Rates:** The **fixed** interest rates for federal Stafford and Plus loans change yearly. The interest rates are based on when the student loans were disbursed:

- 3.76% (fixed) for loans **sub and unsub** loans for undergrads first disbursed on or after **July 1, 2016 to June 30, 2017**
- 4.29% (fixed) for new and existing **sub and unsub** loans for undergrads disbursed **July 1, 2015 to June 30, 2016**
- 3.66% (fixed) for existing **sub** loans for undergrads disbursed **July 1, 2011 to June 30, 2013**
- 6.8% (fixed) for existing **unsub** loans for undergrads disbursed **July 1, 2006 to June 30, 2013**

**Fees:** You will pay a 1.068% origination fee to Direct Loans disbursed on or after **October 1, 2015 to September 30, 2016**. You will pay a 1.69% loan origination fee to Direct Loans disbursed on or after **October 1, 2016 to September 30, 2017**. Terms and conditions of Title IV Loans may be more favorable than Private education loans.

**Repayment:** Repayment begins following a six-month grace period after you graduate, withdraw from school, or drop below half-time enrollment.

**More money?** If you think your financial aid award will not cover all of your educational costs, you may be eligible for an unsubsidized Stafford Loan. Another option may be the Parent Loan for Undergraduate Students (PLUS), which is available to parents for dependent students. If you have special circumstances that change your financial situation, we have an appeal process.