



HARFORD
COMMUNITY COLLEGE

**Everything You Need to Know About
Federal Direct Loans at HCC ...
And General Financial Aid Info Too**

Frequently Asked Questions

Fall '20 Loan Deadline Dates

- **June 15, 2020** to guarantee loan is processed by Fall payment due date
- **Dec. 1, 2020 FINAL** deadline for Fall loans/increases

Spring / Summer '21 Loan Deadline Dates

- **Nov. 15, 2020** to guarantee loan is processed by Spring payment due date
- **April 15, 2021** to guarantee loan is processed by Summer payment due date
- **May 1, 2021 FINAL** deadline for Spring loans/increases
- **July 1, 2021 FINAL** deadline for Summer loans/increases



*Borrowing a student Loan for your education is an investment in your future.

*Paying it back helps build strong credit history.

BORROW SMART!

ESTIMATED REPAYMENT CHART (Standard Plan - 10 years)	
Amount Borrowed	Monthly Repayment**
\$1,000-3,499	\$50
\$3,500-5,499	\$63
\$5,500-6,499	\$75
\$6,500-7,499	\$86
\$7,500-9,499	\$109
\$9,500-10,499	\$121
\$10,500-12,499	\$141
\$12,500-19,999	\$230
\$20,000-30,999	\$357
\$31,000-39,999	\$460
\$40,000-56,999	\$650
\$57,000-74,999	\$857
\$75,000-100,000	\$1,151

** Estimated based on highest amount borrowed for each borrowing range at 6.8% interest rate.

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GENERAL DIRECT LOAN INFO

What are Direct Loans?

Direct Loans are Stafford and Parent PLUS loans. They are called “Direct” because the student or parent borrows directly from the U.S. Department of Education.

Is a Direct Loan financial aid?

Yes, loans **are** financial aid. A Direct Loan is a form of financial aid that must be repaid, with interest. (Scholarships or grants do not have to be repaid)

What types of Direct Loans are available at HCC?

- **Direct Subsidized Loans** are available to students with financial need as determined by federal regulations. The interest that accrues on the loan is paid by the government while you are in school at least half-time (6 credits at HCC). Loan is limited to 150% of your program length.
- **Direct Unsubsidized Loans** are not need-based. Interest accrues from the date of disbursement. You are highly encouraged to pay interest while you’re in school.
- **PLUS Loans** are available to parents of dependent college students.

What are the eligibility requirements?

To be eligible for Direct Loans, you must:

- Be enrolled in a certificate or degree program
- Enroll for a minimum of 6 credits each semester
- Be in good academic standing under the Satisfactory Academic Progress (SAP) policy
- Be U.S. Citizen or eligible non-citizen
- Not have defaulted on any prior federal education loans or owe an overpayment on a federal education grant

I don’t have any credit. Can I still get a loan?

There are no credit checks or cosigners needed for Direct Loans. Parent PLUS loan does require a credit check on the parent and cosigners may be required. If initially denied, other options are offered and the parent will need to complete PLUS Counseling Module.

GENERAL DIRECT LOAN INFO

How much should I borrow?

Borrow only what you need. You should borrow for tuition, fees, school supplies, and books only. Loan funds can be used for educational costs ONLY. The amount you can borrow each year for subsidized and unsubsidized loans depends on your grade level and whether you are a dependent or independent student. The amount you are able to borrow is also limited by the cost of attendance at HCC, other financial aid you receive, and (in the case of subsidized loans) your expected family contribution (EFC) from your FAFSA.

Think about your future before you borrow. It is necessary to have a plan of action to help keep you from borrowing more than you can afford to repay. Consider these points:

- What is my career goal?
- What is the beginning salary for my chosen career? Starting salaries may be listed at www.salary.com.
- It is recommended that the TOTAL amount borrowed for your entire education not exceed your anticipated beginning salary. Ideally, you should borrow even less, only half of your anticipated salary.

How much can I borrow every year at HCC?*

Should I borrow at a community college?

Federal Loan Limit	Dependent student	Independent student
Freshman undergraduate (0-30 earned credits)	\$5,500 per school year (including no more than \$3,500 subsidized*)	\$9,500 per school year (including no more than \$3,500 subsidized*)
Sophomore undergraduate (31 or more earned credits)	\$6,500 per school year (including no more than \$4,500 subsidized*)	\$10,500 per school year (including no more than \$4,500 subsidized*)

BORROW SMART!!

You are strongly encouraged **NOT** to borrow at the community college level. Most students transfer to another institution after completing their studies at HCC. Costs to attend 4-year institutions are much higher and many students need to borrow in order to cover the higher costs. (See lifetime loan limits on next page)

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*The following factors determine whether you qualify for subsidized loan: Cost of Attendance (COA) at HCC, other aid received, and EFC from your FAFSA.

GENERAL DIRECT LOAN INFO

What are my lifetime loan limits?

Dependent Undergrad	Independent Undergrad	Graduate or Professional
\$31,000 (no more than \$23,000 subsidized)	\$57,500 (no more than \$23,000 subsidized)	\$138,500 (no more than \$65,000 subsidized)

In addition, subsidized loan eligibility is limited to 150% of your program length. For example, if you are enrolled in a 2 year program, you may only receive subsidized loans for a maximum of 3 years. For more detailed information, visit <https://studentaid.gov>.

What are the current interest rates for Direct Loans?

Interest rates are determined annually and will be set to the U.S. Treasury 10-year note, plus additions for each type of loan. Rates are updated annually on July 1. Current rates can be obtained at <https://studentaid.gov>.

Is there a charge for this loan?

Yes. In addition to interest, which begins accruing the day the loan is fully disbursed, the Department of Education charges a loan fee. Current fees can be obtained at <https://studentaid.gov>.

What other types of aid can I apply for?

You are encouraged to apply for federal, state, and private scholarships and grants and/or to use the Nelnet tuition deferred payment plan available on your OwlNet account- "All About Me" tab - My Bill - [Payment Plan](#).

Can a loan be denied?

Yes. Under federal regulations 34 CFR 685.301(a)(8), HCC a school has the right on a case-by-case basis to deny loans. HCC may deny loans for the following reasons:

- A student entering a new program who has insufficient loan eligibility remaining to complete the new program of study.
- A student indicates in writing, or in a loan counseling session, that the loan will be used for non-educational purposes.
- For coursework that does not fit into the student's declared major, based on a required academic plan.
- Other circumstances that strongly indicate an unwillingness to repay or abuse of loan programs.

REQUESTING A DIRECT LOAN

Before you request a loan, consider these options first:

- Applying for HCC Scholarships on OwlNet– “All About Me” tab -Apply for Scholarships link
- Nelnet Tuition Payment Plan on OwlNet- “All About Me” tab—My Bill - [Payment Plan](#) to pay tuition in monthly installments
- Checking with your employer or your parent’s employer to see if they offer scholarships or tuition assistance
- Talking to relatives to see if they can assist you
- Contacting community organizations, state senators and delegates, worship centers, etc. for grants and scholarships
- Applying for Federal Work Study or a part-time job
- Utilizing military education benefits
- Reducing costs by living with parents, renting or buying used textbooks, eating out less, carpooling, etc. For money management tips, check out: www.smartaboutmoney.org
- Taking CLEP exams to reduce the number of credit hours you need for your program

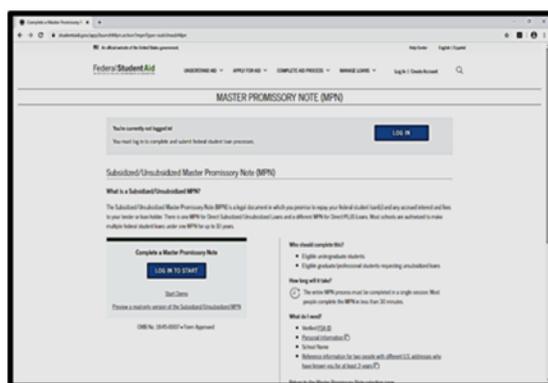
If you still need to borrow, remember:

- **Borrow Smart! Borrow only what you need. The more you borrow, the higher your debt and monthly payments will be. The longer it takes you to pay off the loans, the more money you’ve spent in interest.**
- **Loan payments should never exceed 8-10% of your monthly net pay.**
- **Your TOTAL education debt should be no more than your expected starting salary.**
- **Consider making payments on your loan while you are in school.**

REQUESTING A DIRECT LOAN (continued)

How do I request a Direct Loan at HCC?

- Your first step to receiving a Direct Loan is completing a **FAFSA** at <https://studentaid.gov> or on the **My Student Aid mobile app**. If you are chosen for verification, you will need to submit additional documentation.
 - If you have not already done so, register for at least 6 credits. Your loan cannot be certified until you register.
 - Complete HCC's loan request form. A loan counselor will review your information and determine your loan eligibility.
 - ⇒ **First-time borrower** : Your application will instruct you to complete a Master Promissory Note (MPN), which explains the terms and conditions of your loan and is your legally binding agreement to repay your loan. Complete the MPN at <https://studentaid.gov>. You will also need to complete online Entrance Counseling on <https://studentaid.gov> prior to being awarded a loan.
 - ⇒ **Repeat borrowers**: You will receive a disbursement memo stating the loan amount and disbursement dates.



REQUESTING A DIRECT LOAN (continued)

How often do I apply for loans?

You must reapply for all types of aid each school year by completing the FAFSA. Loans *ARE* financial aid. You only need to complete a loan request form once a year. If you are attending both the fall and spring semesters, apply for a fall/spring loan at the same time. You can apply for loan increases throughout the year, but make sure you adhere to deadline dates. Increase forms are available at www.harford.edu/financialaid.

How long does the process take to request a loan?

During our peak times, January and summer months, it can take up to eight (8) weeks to process a loan. In order to have funds available to pay your bill and buy books (if eligible), you need to apply early. Deadline dates are posted in this booklet, the Financial Aid Office, and [online](#) on the financial aid website. You are encouraged to check your HCC email regularly for information from the loan counselor on the progress of your loan request. Your classes will be dropped for non-payment if your loan is not awarded before the payment due date. **Turning in your loan request does not hold your classes.** The loan must be awarded and you must receive a disbursement memo to know your loan is processed. It may be necessary for you to enroll in a payment plan while your loan is being processed. You can enroll on your OwlNet Account– “All About Me” Tab– My Bill -[Payment Plan](#).

How does my parent apply for a Parent PLUS loan?

A parent applies for a PLUS loan by completing the following steps:

- Parent and student complete FAFSA at <https://studentaid.gov> or on **My Student Aid mobile app**.
- Parent completes PLUS loan request/credit check at <https://studentaid.gov>
⇒ If parent is denied, other options are offered and parent will need to complete PLUS Counseling Module.
- Parent completes PLUS Master Promissory Note (MPN) at <https://studentaid.gov>.
- Parent and student complete [HCC Direct Parent PLUS Request form](#) available in HCC Financial Aid Office or online.

SATISFACTORY ACADEMIC PROGRESS (SAP)

What is SAP?

According to federal Satisfactory Academic Progress (SAP) regulations, the Financial Aid Office is required to monitor the academic progress of all students each semester. To remain in good standing, you must:

- Complete a minimum of 67% of cumulative attempted/transferred credits (ex: 36 credits completed/ 54 credits attempted = 67%). You must receive an A, B, C or D to complete a course.
- Achieve a 2.0 or higher cumulative grade point average in ALL classes (transitional classes ARE included in your Financial Aid SAP GPA).
- Not exceed attempting 150% of your program length (transfer credits are included).

Incomplete Grades- If a student receives an I (Incomplete) grade for a course and later successfully completes the course it is the student's responsibility to notify the Financial Aid Office and request a review of their SAP status. SAP is not automatically recalculated after I grade is resolved. I grades are not included in the GPA calculation but are included as attempted but not completed credits in Completion/Rate calculation. If the I grade is resolved in the middle of a semester that the student is currently receiving aid and it causes the student to be terminated student will not lose financial aid eligibility for that current semester. If the I grade is resolved in the middle of a semester that the student is not currently receiving aid because they are terminated and it causes the student to be in good SAP status aid will be awarded retroactively to the beginning of the current semester.

Failure to meet these requirements will result in you being placed on WARNING. At HCC, each student gets one semester of warning. If you have not improved your completion rate and/or the cumulative GPA by the end of the warning semester, you are terminated from future financial aid until you are meeting SAP requirements. Students who exceed 90– 105 credits depending on major are terminated from financial aid at the end of the semester when they attempted 90-105 credits. Refer to SAP handout for more information.

What is the difference between my Financial Aid GPA and my Academic GPA?

Your Financial Aid GPA includes ALL classes you have taken at HCC. This includes transitional courses below 100 level. Your academic GPA only includes courses that are considered college level credit courses completed at HCC.

SATISFACTORY ACADEMIC PROGRESS (SAP)

What happens if I am placed on SAP WARNING?

Students may request SAP Warning counseling. In the counseling, some of the topics reviewed will be study skills, HCC support services, and personal financial planning. Contact the Financial Aid office to schedule your one-on-one session.

While you are on SAP Warning all of your aid remains in effect.

What happens after SAP WARNING?

At the end of the WARNING semester, if you are still not meeting SAP requirements in both completion and/or GPA, your financial aid will be **TERMINATED**. If there are mitigating circumstances that affected your ability to meet the SAP requirements, you may appeal the termination status. All appeals must be accompanied by appropriate documentation.

At the end of the WARNING semester, if you are now completing 67% of your cumulative classes attempted and you have a cumulative 2.0 GPA or higher, you will be meeting SAP requirements and will continue to receive aid.

What happens if I am TERMINATED from Financial Aid? How can I get financial aid again?

If there are mitigating circumstances that affected your ability to meet the SAP requirements, you may appeal the termination status. All appeals must be accompanied by appropriate documentation.

You may pay for classes without financial aid until you are meeting SAP requirements. Once you are meeting SAP requirements you may receive financial aid again.

Are there deadlines to submit an appeal?

Yes, appeals must be submitted two weeks before the start of the semester you will be attending.

LOAN DISBURSEMENT PROCESS

How will I receive my loan money? All financial aid (remember, loans *are* aid) will be disbursed approximately 30 days after the start of the semester, divided equally between the semesters you requested. Tuition, fees, and bookstore charges (if applicable) will be deducted from loan proceeds (and other aid) and any remaining funds will be disbursed by method of your choice approximately the sixth week of the semester (see handout available in Financial Aid Office or online for exact dates). Your loan proceeds will be combined with other financial aid and you will receive one disbursement.

NOTE: The exception would be if you have a one semester loan. Loans must be disbursed evenly in two disbursements and you will receive two loan disbursements one week apart.

Payment is due long before my financial aid is disbursed.

Will I be dropped from classes?

It depends. If you submitted your loan request by the loan deadline and you have been sent a disbursement memo before payment due date, your classes will be held. If you submitted your loan request after the loan deadline, you **must** make other payment arrangements to have your classes held if you do not have enough financial aid to cover your tuition and fees. Sign up for Nelnet payment plan to guarantee classes are held: Sign into your OwlNet account- "All About Me" tab, - My Bill -Payment Plan.

How do I buy books since my financial aid is not disbursed until after classes start?

If your loan request was submitted before the deadline date and you have been issued a disbursement memo for your loan, and you have excess aid above your tuition and fee charges, a book credit up to a maximum of \$650 (per semester) may be available two weeks before the start of school for use in the HCC bookstore only.

I received a loan refund and I don't need all of the funds I received. Can I return the money?

YES! We strongly encourage you to borrow only what you need and pay back what you don't need. There is **no** pre-payment penalty for paying your loan at any time. Check with your servicer for how to repay. If you don't know who your servicer is go to <https://studentaid.gov>.

LOAN DISBURSEMENT PROCESS

How will I know when my loan is disbursed?

You will receive an email to your OwlMail email on the day the loan is disbursed. Your disbursement will pay for any tuition/fees due and book credit used and the remaining balance will be disbursed by the method you chose through BankMobile at www.refundselection.com. If you have a one semester loan you will receive two equal disbursements one week apart.

Can I pick up my refund check or have it automatically deposited into my bank account?

No, you cannot pick up a refund check. Yes, you can have it deposited into a bank account. After you registered for classes, you received a BankMobile code (it was in a bright green envelope). You were instructed to go to www.refundselection.com to select your refund preference. The option you chose will determine when you receive your refund. All refunds will be initiated within 14 days if a refund method was selected.

If you have your BankMobile code and did not select a refund preference, go to www.refundselection.com to make refund preference selection. If you lost or never received the BankMobile code, contact HCC BankMobile Code Hotline at (443) 412-2555. Note: If you are 17 years old or younger, you will receive a code when you turn 18. In the meantime, you will receive a paper check.

YOUR
REFUND
CHOICES
ARE ON
THE WAY.



LOOK FOR THE BRIGHT
GREEN ENVELOPE!

MONEY MANAGEMENT AND OTHER LOAN QUESTIONS

How can I avoid borrowing or over-borrowing student loan money?

There are many resources available to help you avoid borrowing more than you can afford for educational costs. Check out a variety of resources at: www.harford.edu/student-services/financial-aid/managing-your-money or watch informational videos at [Financial Aid TV \(FATV\) Portal](http://Financial Aid TV (FATV) Portal).
<https://harford.financialaidtv.com/>

How will a student loan affect my credit?

A credit history is not required for you to receive a student loan, however if you do not pay your loan on time, it does affect your credit score. If you pay your loan on time, your credit score will improve. If you do not pay your student loan, it will negatively affect your credit score, which can cause unwanted financial consequences. To learn more about your credit score, go to www.myfico.com.

Is there a penalty for paying a student loan off early?

No, there is not a penalty for paying your student loan off early. In fact, if you can pay just some of the interest off while you're in school, it will make your payments more affordable when you go into repayment.

What if I cannot afford my loan payments?

If you cannot afford your loan payments, contact your loan servicer immediately for help. There are many options available to fit your circumstances. Whenever you run into difficulty, know that your servicer is there to help you succeed! You can find out who your servicer is at <https://studentaid.gov>.

Where can I get more information about managing my finances?

There are many additional resources available to help you on HCC's Financial Literacy web page. www.harford.edu/student-services/financial-aid/managing-your-money

IMPORTANT LINKS

HCC Financial Aid Website:

Review deadline dates, how to apply for aid, financial literacy info, policies, and much more financial aid information.

<http://www.harford.edu/student-services/financial-aid.aspx>

Federal Student Aid/Loans:

Complete FAFSA, sign MPN, view your loan servicer information, see your total outstanding loan debt, make a loan payment, complete PLUS application, request Loan Consolidation, use the Loan Simulator, view repayment plan options, and more information about how to manage your student loans from the U.S. Dept. of Education.

<https://studentaid.gov>

Maryland Higher Education Commission

Access MD state financial aid programs

<https://mhec.state.md.us>

Scholarships:

*Search for scholarships with free scholarship matching service. www.fastweb.com

*Apply for HCC Foundation Grants and Scholarships on your OwlNet Account— All About Me Tab—right hand side-Apply for Scholarships.

Finaid:

A financial aid public information page with loan calculators, tips on how to save for college and obtain scholarships and much more.

<http://www.finaid.org>

**Did you know you could do the following in
your OwlNet Student Account?**

- Check your award status
- Apply for HCC scholarships
- Check for any required financial aid documents
- Pay your bill
- Review your account summary
- Set up payment plan



**Payments made easy with Nelnet Tuition
Payment Plan:
OwlNet- “All About Me” tab—My Bill-
Payment Plan**

Federal School Code: 002075

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