

Borrowing Student Loans

A student loan is borrowed money that must be repaid with interest. When you borrow a student loan, you are making a legal obligation to repay the loan, so carefully consider the amount you borrow.

Cuyahoga Community College participates in the William D. Ford Federal Direct Loan Program which is a Stafford loan that is processed through the United States Department of Education, as well as alternative loan programs processed through a variety of private lenders. The types of loans are:

Subsidized loans – These loans are awarded on the basis of financial need and are not subject to credit approval. You will not be charged any interest before you begin repayment or during a period of deferment.

Unsubsidized loans – These loans are available to students who do not have financial need and are not subject to credit approval. You are responsible for the interest from the loan period (which does not necessarily correspond to the date of disbursement) until it is paid in full. If you choose to not pay the interest before leaving school, it will accumulate and be added to the principal amount.

PLUS loans – These loans are requested by parents of undergraduate dependent students who have additional need after the maximum amount of all other aid has been awarded. Parents must submit an application for credit approval.

Alternative (Private) loans – These non-federally funded loans are offered through banks and other lending institutions. As such, alternative loans can be used to supplement other financial aid awards and/or can be applied for directly through the lending institution. Applications are subject to credit approval and co-signers may be required. Interest rates and repayment schedules may differ from federal guidelines.

In order to receive a federal student loan, a student must:

- be enrolled for at least six (6) credits per term throughout the entire loan period and maintain a minimum 2.0 GPA.
- with the Tri-C Standards of Satisfactory Academic Progress.
- electronically sign your Master Promissory Note at www.lo-online.ed.gov using your PIN from the U.S. Department of Education.

In addition, keep in mind:

- The Direct Loan is a loan and **must** be repaid.
- First-time borrowers at Tri-C must complete an on-line Entrance Counseling Quiz at www.dlsonline.com.
- Tri-C may decrease or terminate loan eligibility due to excessive borrowing at Tri-C or any other institution.
- You may not be in default or overpayment of any federal grant/loan programs or subject to a judgment lien.
- First-time borrowers at Tri-C are required to participate in a 30-day delay certification. Therefore, loan funds will not disburse until at least 30 days after the start of the semester.
- If you graduate or cease to maintain at least six (6) credits per term you must complete an Exit Interview with the Tri-C Student Financial Assistance Office.
- Interest rates will not exceed 8.25 percent.

If you wish to borrow a direct or PLUS loan, please visit www.tri-c.edu/services/financialassistance/Pages/Forms and complete the appropriate documentation.