



Administrative Policy

Policy Type:	Direct Loans
Policy Number:	2908
Date Adopted:	08/17/2011
Version:	9.0
Review Cycle:	Biennially
Date Last Reviewed:	10/22/2024
Office Responsible:	Student Services – Financial Aid
Reviewing Committee:	Customer Focused
Related Policies:	NA
Related Laws:	Federal Student Aid, Title IV

Policy Summary

Federal Direct Loans are processed based on the Federal Cost of Attendance (COA) for educational expenses while in attendance. COA includes: tuition, fees, books, supplies, room and board, transportation, personal, and loan fees. Educational expenses **DO NOT INCLUDE** credit card or past due bills, electronics, equipment (not required for your enrolled classes), accessories, and clothing.

Policy

Jackson College (JC) shall comply with Federal Department of Education requirements in administering the Direct Lending Program.

Students must complete the Free Application for Federal Student Aid (FAFSA). The results of the FAFSA will be used to determine loan eligibility. Parents interested in applying for a Parent Loan for Undergraduate Students (PLUS) loan must also complete the FAFSA. Students are encouraged to apply for the Federal Direct Loan (subsidized and unsubsidized) prior to determining PLUS Loan eligibility.

Student loans are not packaged up front. Students must apply, following the 3-step loan process on the JC website, to be considered for a student loan to make them more aware of the fact that they are borrowing funds.

MINIMUM REQUIREMENTS - Before making application:

- Complete Entrance Loan Counseling (if this is your 1st time applying for a loan at JC.) at <http://studentloans.gov>.
- Complete and sign a Direct Loan Master Promissory Note (MPN) for JC at <http://studentloans.gov>.



- Complete the JC Federal Direct Loan Request Form at http://www.jccmi.edu/businessoffice/financialaid/FA_DirectLoans.htm.
- Be enrolled in at least 6 credit hours
- Meet the current JC Satisfactory Academic Progress Policy (SAP) or be on warning status.
 - Student must be in 'good standing' at the time their loan is reviewed/processed; and/or have a 2.0 or higher cumulative grade point average and 67% completion rate or come into "satisfactory" status after the warning semester.
 - Students are placed on warning for one semester after failing to meet either the GPA or completion rate or both and have their next semester of enrollment to correct the deficiency.
 - If the deficiency is not corrected within the next semester, the student is placed on financial aid suspension and loses eligibility for all Title IV funding, including Federal Pell Grant and Federal Direct Student Loans.
 - Student must be working toward classes required for their program of study.
 - Student transferring to JC mid-year and requesting loan funds, will need to submit a copy of previous academic transcript(s). The academic transcript is required to verify satisfactory academic progress at the other school – before a loan can be processed at JC.

LOAN LIMIT AMOUNTS:

Minimum

- Minimum loan amount is \$100 per semester.

Maximum

- Student may not be eligible to borrow the annual maximum amount set by the U.S. Department of Education (below) if it exceeds our institutional cost of attendance minus any other financial aid or resources the student is receiving.
- A one semester loan will not exceed ½ of the Federal loan limits for the academic year. Annual borrowing limits are defined on the JC website at:

<http://www.jccmi.edu/businessoffice/financialaid/step3.htm>

NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS):

Federal Direct Loans shall be submitted to NSLDS and will be accessible by guaranty agencies, lenders, and schools determined to be authorized users of the data system.

LOAN DISBURSEMENTS:

- Student must be enrolled in 6 credits at the time of disbursement. Late starting classes could delay disbursements.
- Loan disbursements will not be made until 30 days after the start of the semester (or latest starting class for 6 credit hours).



- Loan disbursements for a one semester loan will be made in two equal disbursements. The first disbursement 30 days after the start of the semester (or latest starting class for 6 credit hours) and at the mid-point of classes.
- If you drop below 6 credit hours, are suspended from financial aid or reach your credit limit, your future loan disbursements will be cancelled.

LOAN REQUESTS WILL BE DENIED:

- If the student is in loan default.
- If the student is not meeting SAP requirements after warning semester and is subsequently suspended from financial aid at the time the loan is reviewed/processed; and/or does not have a cumulative grade point average of 2.0 and/or 67% completion rate. (JC's SAP Policy can be found at: <http://www.iccmi.edu/legalaffairs/AdministrativePolicies&Practices.htm>).
- If the student is not working toward classes required for their program of study.
- If the student already received annual maximum limit.
- If the student was not making SAP at other institutions. (This instance is open to appeal and the JC guidelines for academic amnesty may be followed for courses deemed obsolete – inactive for five or more years).
- If the student does not have sufficient loan funds to complete a program of study at JC.

Right of Appeal:

Students denied a Federal Direct Loan, based on these guidelines, have the right to due process. Appeal of loan denial or loan limits can be made through the Financial Aid Appeal process.

Veterans Information:

Veterans wishing to borrow loans shall be made aware of the current Cohort Default Rates (CDR) while meeting with their Financial Aid Specialist. If Jackson College's CDR is greater than the national average, that information will be disclosed along with the loan repayment data. Jackson College's CDR information can be found at: <https://nsldsfa.ed.gov/cdr-searchable-database/school/search>. The national average information can be found at: [National Default Rate Briefing for FY 2020 Official Cohort Default Rates | Knowledge Center](#).



Change Log:

Date Of Change	Description of Change	Responsible Party
11/15/11	Change log added	A. Goings
09/26/2012	Update of loan limits	B. Howard
2/6/2015	Update loan approval/denial criteria	K. Cvitkovic
11/5/2015	Update loan eligibility on warning	K. Cvitkovic
6/9/16	Annual Review- No Changes	A Spohn
7/18/18	Annual Review	A Spohn
06/22/2021	Biannual Review	A Spohn
6/22/2022	Annual Review	J. Frew
10/22/24	Veteran language added	A. Spohn