ADMINISTRATIVE POLICY

Federal Direct Loan Program 8.1

Packaging Policies for Federal Direct Loans/PLUS

POLICY STATEMENT

All students who are enrolled at least half-time (6 or more financial-aid eligible credits) in a degree or certificate program and who have and who have an official Expected Family Contribution (EFC) calculated by ED will be considered for Federal Direct Loan eligibility. During initial packaging of awards, NSC will determine students' eligibility for Federal Direct Subsidized and Unsubsidized Loans. Students must actively accept any loan offer through the myNSC web portal before NSC will originate a loan. Federal Direct Loan borrowers must also have a valid Master Promissory Note (MPN) on file with ED and have completed Federal Direct Loan Undergraduate Entrance Counseling online at studentloans.gov prior to receiving a disbursement. Parents of dependent students may request a PLUS loan through the studentloans.gov website.

In order to determine eligibility for the Federal Direct Loan program, NSC will use a standard Cost of Attendance (COA) budget for all aid recipients based on expected tuition and other fees, average housing costs, average book and supply expenses, and average transportation costs for commuting students and students living out of area. NSC will calculate a student's need by subtracting from the COA both the student's EFC and any sources of Estimated Financial Assistance (EFA) as defined by 34CFR 685.102(b). Examples of EFA include other Title IV grants including Federal Pell and FSEOG, Federal Work-Study, State and Institutional grants and scholarships, Institutional need based employment and all third party payments except as excluded by regulation. Examples of payments excluded from EFA include Federal veterans' education benefits named in 34CFR 685.102(b)(2), and earnings under the National and Community Service Act of 1990 (AmeriCorps). The difference between COA minus EFC minus EFA is considered remaining need.

Students with remaining need will be awarded a Federal Direct Subsidized Loan according to their annual limit based on grade level (0-29 earned credit hours = $3500, 30-59 earned credit hours = $4500, 60 or more earned credit hours = $5500), not to exceed their subsidized aggregate limit as an undergraduate student ($23,000), nor their remaining need or COA.

- If the student has been selected for the verification process either by the Department of Education or by NSC Financial Aid, that process must be completed before a Federal Direct Subsidized Loan award will be calculated. If the student is selected for verification after an award has been calculated, and while still enrolled in the award year, NSC will require verification to be completed before any further disbursements of Federal Direct Subsidized Loan will be made.

Students who have been awarded a Federal Direct Subsidized Loan, or who do not have remaining need, will next be considered for a Federal Direct Unsubsidized Loan. NSC will award a Federal Direct Unsubsidized Loan as a replacement for the EFC.

- Dependent undergraduate students will be awarded a Federal Direct Unsubsidized Loan according to their annual limit based on grade level (0-29 earned credit hours = $5500 minus any awarded Subsidized Loan, 30-59 earned credit hours = $6500 minus any awarded Subsidized Loan, 60 or more earned credit hours = $7500 minus any awarded

Subsidized Loan), not to exceed their total aggregate limit as a dependent undergraduate student ($31,000), nor their COA.

- Independent undergraduate students (and dependent undergraduates whose parents are unable to obtain Direct PLUS Loans) will be awarded a Federal Direct Unsubsidized Loan according to their annual limit based on grade level (0-29 earned credit hours = $9500 minus any awarded Subsidized Loan, 30-59 earned credit hours = $10,500 minus any awarded Subsidized Loan, 60 or more earned credit hours = $12,500 minus any awarded Subsidized Loan), not to exceed their total aggregate limit as an independent undergraduate student ($57,500), nor their COA.

NSC will use a Standard Academic Year (SAY) comprised of fall, spring and summer to monitor annual loan limits for all undergraduate degree and certificate programs with the exception of the Accelerated Nursing Program (NUABSN), for which a Borrower Based Academic Year (BBAY1) may be used.

A parent of a dependent undergraduate student may borrow a Direct PLUS Loan for up to the student's COA minus other EFA, which includes any other Federal Direct Loans that the student or parent have accepted. Borrowers must apply and satisfy all requirements at studentloans.gov before NSC will originate a PLUS loan.

Disbursement for all Federal Direct Loans will be scheduled to occur no earlier than 10 days before the beginning of the semester or the start date of a student's first modular course, whichever comes later. NSC will attempt to schedule disbursements as early as possible once all eligibility requirements have been verified. Students enrolled in the RN-BSN program will have one disbursement per module, up to two modules per semester.

An NSC Financial Aid Administrator may refuse to originate a Federal Direct Loan using Professional Judgment as outlined in NSC Administrative Policy, General Provisions 3.6: Professional Judgment and Dependency Overrides.

REASON FOR POLICY

This section is required 34 CFR685.102(b)

CONTACTS

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DEFINITIONS

ED – U.S. Department of Education

HISTORY

Updated July 17, 2014

Revised March 15, 2016

Changed section number from 9.1 to 8.1to conform to changes in regulations

Revised May 25, 2017

- Changed “6 or more non-remedial credits” to “6 or more financial-aid eligible credits” in Policy Statement paragraph 1.
- Added “Students enrolled in the RN-BSN program will have one disbursement per module, up to two modules per semester” to the penultimate paragraph.
- Deleted “Beginning with fall semester of 2014, the two following provisions will be in effect:
    - NSC must disburse loans that are made for one semester in two installments;
    - NSC must delay the first disbursement of a loan for 30 days for first-time, first-year undergraduate borrowers.”