



Federal Direct Student Loan Request Information

Please read the information provided and ask any questions you may have before submitting the student loan request form, so that you understand your rights and responsibilities regarding student loans (borrowed money). Students and parents should borrow what is necessary to cover actual educational expenses.

WHAT IS A FEDERAL DIRECT STUDENT LOAN?

Direct Loans are available to eligible students through the federal government to help pay for educational expenses. The Department of Education issues *Federal Direct Loan* funds after approval from the college.

A ***Subsidized Loan*** is awarded on the basis of financial need. If you qualify, the federal government pays interest on the loan (“subsidizes” the loan) until you begin repayment and during authorized periods of deferment.

An ***Unsubsidized Loan*** is not awarded strictly on the basis of need. If you qualify for an Unsubsidized Loan, ***you will be charged interest from the time the loan is disbursed until it is repaid in full.***

HOW DO I APPLY FOR A FEDERAL DIRECT LOAN?

1. You must have a **complete** financial aid file for the 2019-2020 school year. (This means that all documents must be submitted and received from student and other offices, verification must be complete and file processed and awards made if student is eligible to receive any aid.)
2. You must complete a Student Loan Request Form **AFTER** your file is complete.
3. All students are encouraged to complete a ***Financial Awareness Counseling Session*** designed to give you a better understanding of the student loan you are requesting, your personal finances and money management. **To log in go to <https://studentloans.gov> and Sign in under Manage My Direct Loan.**
4. All student loan borrowers at ENMU-Roswell are **required** to complete an **Entrance Counseling Session** at the time the loan is borrowed and will need to also complete a **Master Promissory Note (MPN)**, but **DO NOT** sign the promissory note until after you have been awarded the student loan.
 - a. Students may complete the Entrance Counseling Session after they do the Financial Awareness Session. (This will save you time after the loan is awarded).
5. Student loan borrowers must be enrolled and currently attending at least 6 credit hours at the time the loan is disbursed. This means that part of term courses with a later start date will not be used to determine loan enrollment status if the loan is disbursed prior to the start of part of term courses.
6. Students **MUST** also be meeting the Satisfactory Academic Progress (SAP) requirements to receive a loan.
7. An **Exit Counseling** Session must be completed at the time students ceases to be enrolled in at least 6 credit hours.
8. Student loan borrowers with over \$15,000 in outstanding student loans will not be offered additional student loans unless it’s approved by the Financial Aid Office Director. The student will be required to submit a letter stating why loan funds are needed, a budget sheet showing expenses and income for the current year and an updated degree plan signed by an academic advisor or degree program representative.
9. **NEW:** ENMU-Roswell will **no longer** disburse loans in two disbursements each semester unless the student is a first-time borrower or has a semester-only budget.
 - a. For first-year, first-time student loan borrowers, loans will not be released until 30 days after the first day of classes then again after mid-term grades are posted.
 - b. Check financial aid disbursement dates for the semester on the ENMU-R website.
10. Deadline dates to submit loan requests are:
 - **FALL 2019 – October 28, 2019**
 - **SPRING 2020 – April 6, 2020**
11. Time Limitation on Direct Subsidized Loan Eligibility for First-Time Borrowers on or after July 1, 2013. More information provided on the next page.

PLEASE NOTE: ENMU-Roswell reserves the right to certify your loan for an amount less than the amount you requested based on federal eligibility requirements. You will receive notification of any revised loan eligibility.

For more information regarding student loans and annual loan limits visit the ENMU-R Financial Aid webpage or studentloans.gov.

Direct Loan 150% Loan Limit Rule

NEW Time Limitation on Direct Subsidized Loan Eligibility for First-Time Borrowers on or after July 1, 2013.

As of July 1, 2013, any first-time borrower, (which is defined as someone who has no outstanding balance on a FFELP or Direct loan when receiving a Direct loan on or after July 1, 2013), will only be able to obtain federal Direct Subsidized loans for a maximum of 150% of the published program length in which they are enrolled. Additionally, the subsidized loans that had been borrowed up to the 150% point will lose further government subsidy and interest will begin to become the student's responsibility if they do not graduate by the 150% point (and continue to be enrolled in the same or a shorter undergraduate program). From that point forward, these subsidized loans will become *unsubsidized* loans.

Here are a few facts that you need to know:

1. Students may receive Direct Subsidized loans for no more than 150% of the length of the current academic program. For example, a student enrolled in a two-year program will have three years' worth of subsidized loan eligibility and a student enrolled in a four-year program will have six years' worth of subsidized loan eligibility.
2. Once a student reaches the 150% mark in a particular program, their future subsidized loan eligibility in that program will end. They may, however, be eligible for unsubsidized loans.
3. A student who reaches the 150% limitation will have their interest subsidy end for all outstanding subsidized loans if the student does not graduate and continues to be enrolled in the same or a shorter undergraduate program. Repayment does not begin, but like unsubsidized loans, the student (rather than the government) would become responsible for interest that accrues from this point forward.
4. Unlike other measures in determining continued aid eligibility, this provision is not affected by the total dollar amount borrowed. Any and all periods of subsidized loan borrowing will count against the 150% time limit.
5. This policy is in addition to, and not in place of, the lifetime aggregate loan limits that are currently in place.

For more information view the [FACT Sheet](#) from the U.S. Department of Education.

Questions and Answers

I previously borrowed a subsidized loan prior to July 1, 2013. Does this rule apply to me?

No. This rule is in effect for new (first-time) subsidized student loan borrowers who borrow on or after July 1, 2013. Students who previously borrowed a subsidized student loan prior to July 1, 2013 are not impacted by this policy.

Will I receive less federal student loan money if I am affected by this?

It depends. What you would have previously received in the subsidized student loan program, you may borrow in the unsubsidized loan program. This is assuming you have not reached your lifetime Federal student loan borrowing limits.

What does 150% of the published length necessary to graduate for a degree program mean in terms of actual credit hours completed?

Time frame for Undergraduate degree programs at ENMU Roswell vary but here are a few examples. Business Admin require 69 credit hours for completion. $69 \text{ credit hours} \times 150\% = 104$ maximum credit hours can be taken before the 150% rule is invoked.

Certificate of Occupational Training Program

Automotive Technology requires 50 credit hours for completion. $50 \text{ credit hours} \times 150\% = 75$ maximum credit hours can be taken before the 150% rule is invoked.

Can I appeal the 150% rule if I have extenuating circumstances?

No. Federal law provides no provisions to appeal this rule.

