

Loans

Loans are one of the three major types of student aid. Unlike grants and scholarships that do not have to be repaid, loans are a form of aid that must be repaid. Repayment typically starts 6 months after graduation, or when the student's attendance drops below half-time. When reviewing loan options, we suggest you always take advantage of federal loans first.

Federal Direct Student Loans

Subsidized

- Amount based on financial need
- Must meet all eligibility requirements
- Federal government pays the interest while student is in school at least half time

Unsubsidized

- Interest accrues while student is attending college
- Amount not based on financial need
- Like the subsidized loan, must meet eligibility requirements

Student loans are not unlimited; the following are the aggregate undergraduate student loan limits:

Dependent student - \$31,000 (up to \$23,000 may be subsidized)

Independent students and students whose parents are unable to borrow the Direct Parent PLUS Loans - \$57,500 (up to \$23,000 may be subsidized)

Interest Rates for Federal Direct Student Loans

The interest rate varies depending on the loan type and the first disbursement date of the loan. The table below provides interest rates first disbursed on or after July 1, 2022, and before July 1, 2023.

Undergraduate Borrowers	Direct Subsidized and Unsubsidized Loans	4.99%
Graduate or Professional Borrowers	Direct Unsubsidized Loans	6.54%
Parent and Graduate Borrowers	Direct PLUS Loans	7.54%

Loan Fees

Most federal student loans have loan fees that are a percentage of the total loans amount. The loan fee is deducted proportionately from each loan disbursement. This means the money you receive will be less than the amount you actually borrow. The information below shows the loan fees first disbursed on or after October 1, 2022.

Direct Subsidized and Unsubsidized Loans

First Disbursement Date	On or after 10/1/20 and before 10/1/23	Loan Fee - 1.057%
First Disbursement Date	On or after 10/1/19 and before 10/1/20	Loan Fee - 1.059%

Direct PLUS Loans

First Disbursement Date	On or after 10/1/20 and before 10/1/23	Loan Fee - 4.228%
First Disbursement Date	On or after 10/1/19 and before 10/1/20	Loan Fee - 4.236%

Additional information online at <https://studentaid.gov/understand-aid/types/loans/interest-rates>

Direct Subsidized Loan Time Limitation

Students who receive their first federal student loan after June 30, 2013 will have a limit on the maximum period of time that Direct Subsidized Loans can be received. Students that fall into this category cannot receive Direct Subsidized Loans for more than 150% of the published length of the program.

For example, the maximum period for which you can receive Direct Subsidized Loans if you are enrolled in a 2-year associate degree program is 3 years (150% of 2 years = 3 years).

Federal Direct Parent PLUS Loans

The Federal Direct Parent Loan for Undergraduate Students (PLUS) is a loan in the parent's name to assist their dependent student with educational expenses. Credit approval is required. These loans are guaranteed and regulated by the Federal Department of Education.

Alternative Loans/Other Loan Sources

Alternative loans are private loans (available through various lenders) to assist with the cost of education. These loans are not federally guaranteed student loans and are generally based on income and credit history. Most students will be required to have a cosigner. Individuals may only apply for up to the cost of attendance minus any financial aid received.

NCCC does not recommend or prefer any one private alternative loan product. Please carefully review and compare the borrower benefits, loan fees, interest rates, and repayment terms. This information should be available on the web site at www.elmresources.com

Cohort Default Rate

In September 2019, the US Department of Education released official cohort default rates for federal student loan borrowers who went into repayment in 2019.

- North Country Community College's Default Rate is 6.6%
- The National Cohort Default rate is 10.8%

NCCC is committed to working with our borrowers to educate them on the choices of borrowing. Our default rate has been steadily declining over the last several years.

National Student Loan Data System (NSLDS)

NSLDS is a centralized national database that stores information on Federal Student Loans and grants. You can access NSLDS using your FSA ID online at <https://nslds.ed.gov/npas/index.htm> You can view how much you have borrowed in student loans, the schools you attended while borrowing, interest rates, current loan status, subsidized loan usage and loan servicer information.

Master Promissory Note

The MPN is a legal document that explains the terms and conditions of your loan(s). When signing the MPN you are promising to repay your loan(s) and any accrued interest and fees. The MPN must be completed to take out a Direct Loan and can be completed online at www.studentaid.ed.gov

Entrance Counseling

If you have not previously received a student loan, you must complete Entrance Counseling before the school can disburse your loan. The counseling will help you to understand your responsibilities as a student loan borrower. Complete online at www.studentaid.ed.gov

Exit Counseling

Direct Student Loan borrowers are required to complete exit counseling when graduating, withdrawing, or dropping below half-time (6 credit hours). Exit counseling is required by law and provides students with important information as they prepare to repay their federal student loans. Complete online at www.studentaid.ed.gov