

Student Loan Policy

Loan Limits

Student loans are limited to \$57,500. Of this amount, no more than \$23,000 can be subsidized loans. When a student at Cochise College reaches \$23,000 in subsidized loans, loan eligibility for this type of loan ends. For transfer students, this includes all loan totals from all schools.

Federal Subsidized Student Loan Limit

First-time borrowers taking out federal Direct Subsidized loans on or after July 1, 2013, are subject to the 150% Direct Subsidized Loan Limit, which limits the amount of time a student is eligible to borrow subsidized loans to 150% of their published program length. This means that the actual time limit on your borrowing of subsidized loans varies based on the length of your program.

For example 2 YEAR ASSOCIATE **3 YEAR LIMIT**
1 YEAR CERTIFICATE **1.5 YEAR LIMIT**

If you change your major, your limit may change as well, if this happens, the subsidized loans you received in your previous program usually count against your new maximum eligibility period. If you reach the subsidy limit, you are no longer eligible to take out any more subsidized loans. However, this does not affect your eligibility for unsubsidized loans.

The interest on your existing subsidized loans is no longer subsidized by the government when you're in school, on a deferment, or in certain income-driven repayment plans. This means you are responsible for ALL interest that accrues on your subsidized loans moving forward.

Maximum Annual Loan Amounts

- **Freshman (0-32 credits)**
Dependent: subsidized \$3,500 per school year; unsubsidized, \$2,000 per school year. Independent: subsidized, \$3,500 per school year; unsubsidized \$6,000 per school year
- **Sophomore (33 or more credits)**
Dependent: subsidized, \$4,500 per school year; unsubsidized, \$2,000 per school year. Independent: subsidized, \$4,500 per school year; unsubsidized, \$6,000 per school year
- **Maximum Aggregate Loan Amounts**
Borrower's academic level sub + unsub totals at all schools = \$57,500.

First-Time Borrowers: If you are a first-year student and a first-time borrower, you will be required to attend the class for 30 days before receiving your loan money. This is Department of Education policy and cannot be waived.

Loan Counseling: Each student is required to complete [entrance loan counseling \(website\)](#) before receiving their loan(s). A student must also complete a [Master Promissory Note \(website\)](#). Likewise, before a student withdraws, graduates, or drops below half-time attendance, regulations require completion of [exit counseling \(website\)](#). Once you receive a Stafford Loan, you will be required to complete an exit interview before you leave school or fall below 6 credit hours.

Alternative Loan/PLUS: If you or your parents are applying for a Parent Plus Loan or an Alternative Education Loan you must submit the current year FAFSA at www.fafsa.gov. The FAFSA form must be completed and processed including completing all required documentation prior to the loan certification. The maximum amount that can be borrowed is equal to the cost of attendance as determined by Cochise College for the loan period, minus ALL other grants, scholarships, third-party payments, work-study, resident assistant, fee waivers, or any other outside funds..

Transfer Students: Official academic transcripts will be required of all transfer students who display in NSLDS (National Student Loan Database System) that they have attended previous colleges and/or have substantial student loan debt. Transcripts will be evaluated and restricted enrollment enforced when applicable. Students who have not met our academic standards (2.0 CGPA and completion of 67% of classes attempted) at the prior colleges will be evaluated with the same probation and suspension standards currently in place for Cochise College students. Students who consistently have received W and F grades will be required to complete a minimum of six credit hours with a 2.0 or better GPA using their own resources before federal aid will be approved. For more information, read the Financial Aid Satisfactory Progress policy below. Once a student's total loans from all schools equal **\$57,500**, he/she will no longer be eligible for student loans at Cochise College.

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Disbursement: Your loan will be disbursed in two installments, one-half of your loan per semester, except if your loan is only one semester in length. If you have a one-semester loan, the loan will be split into two disbursements in that semester. Your loan funds will first be applied to your student account to pay any outstanding balance you may have.

Loan Adjustments: If you have received a loan and other funding is awarded, which brings you to a negative unmet need, your loan award will be adjusted accordingly. In other words, if you have received \$500 in loan and you get a \$200 scholarship after the loan has been paid, which brings your unmet need to a negative \$200, we need to return \$200 from the loan payment. You are not allowed to receive more than the cost of attendance (unmet need).

Interest Rates: The **fixed** interest rates for federal Stafford and Plus loans change yearly. The interest rates are based on when the student loans were disbursed:

- Loans first disbursed on or after **07/01/2023** and before **07/01/2024**
Direct Subsidized Loans – 5.50%
Direct Unsubsidized Loans – 5.50%
Direct Parent Plus Loans – 8.05%
- Loans first disbursed on or after **07/01/2022** and before **07/01/2023**
Direct Subsidized Loans – 4.99%
Direct Unsubsidized Loans – 4.99%
Direct Parent Plus Loans – 7.54%
- 3.73% (fixed) for loans **sub and unsub** loans for undergrads first disbursed on or after **July 1, 2021, to June 30, 2022**
- 2.75% (fixed) for new and existing **sub and unsub** loans for undergrads disbursed from **July 1, 2020, to June 30, 2021**
- 3.40% (fixed) for existing **sub** loans for undergrads disbursed from **July 1, 2011, to June 30, 2013**

- 6.80% (fixed) for existing **unsub** loans for undergrads disbursed from **July 1, 2006, to June 30, 2013**

Fees

You will pay a 1.057 % loan origination fee to Direct Loans disbursed on or after **October 1, 2022, to September 30, 2023**. The terms and conditions of Title IV loans may be more favorable than Private education loans.

You will pay a 1.057% loan origination fee to Direct Loans disbursed on or after **October 1, 2021, to September 30, 2022**.

You will pay a 1.057% loan origination fee to Direct Loans disbursed on or after **October 1, 2020 – September 30, 2021**.

You will pay a 1.059% loan origination fee for direct Loans disbursed on or after **October 1, 2019- September 30, 2020**.

Repayment: Repayment begins following a six-month grace period after you graduate, withdraw from school, or drop below half-time enrollment.

More money? If you think your financial aid award will not cover all of your educational costs, you may be eligible for an unsubsidized Stafford Loan. Another option may be the Parent Loan for Undergraduate Students (PLUS), which is available to parents of dependent students. If you have special circumstances that change your financial situation, we have an appeal process.