

## **Federal Student Loan Disbursement Policy**

### **1. Overview**

The university follows federal regulations regarding the disbursement of federal student loans. Loan periods are aligned with the Academic Year which consists of two semesters. This can vary for students with overlapping loan periods and/or Academic Years.

### **2. Disbursement Schedule**

- Federal Direct Loans are disbursed in two equal installments per loan period.
- The first disbursement occurs at the beginning of the first period of enrollment and the second disbursement occurs at the beginning of the second period of enrollment.
- Loan funds are applied directly to the student's university account to cover tuition, fees, and other institutional charges before any excess funds are refunded to the student.

### **3. 30-Day Delay for First-Time Borrowers**

- In compliance with federal regulations (34 CFR 685.303), first-time, first-year undergraduate borrowers are subject to a 30-day disbursement delay.
- This means that students who have not previously received a Federal Direct Loan will receive their first loan disbursement 30 days after the start of their first semester.

### **4. Enrollment Requirements**

- Students must be enrolled at least half-time (6 credit hours for undergraduate students, as defined by federal guidelines) at the time of disbursement.
- If a student drops below half-time enrollment before disbursement, their loan funds will not be released.

### **5. Satisfactory Academic Progress (SAP)**

- Students must meet the university's SAP requirements to remain eligible for federal student aid, including loan disbursements.
- Failure to meet SAP standards may result in the cancellation or delay of loan disbursements.

### **6. Loan Counseling Requirements**

- First-time borrowers must complete Entrance Counseling and sign a Master Promissory Note (MPN) before loan funds can be disbursed.

- Exit Counseling is required when a borrower graduates, withdraws, or drops below half-time enrollment.

## **7. Refunds and Adjustments**

- If loan funds exceed the amount owed to the university, a refund will be issued to the student within 14 days, in compliance with federal regulations.
- If a student withdraws before completing 60% of the semester, the university may be required to return a portion of the disbursed loan funds under the Return of Title IV Funds (R2T4) policy.

## **8. Communication of Disbursement Details**

- Students will receive notification of disbursement details, including anticipated disbursement dates and amounts, through their university email.