Carl Albert State College
FINANCIAL AID

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Federal Direct Student Loan Information

Types of Loans:

The Federal Direct Student Loan program offers Direct Subsidized Loans and Direct Unsubsidized Loans to help eligible students cover the cost of higher education at a four-year college or university, community college, or trade, career, or technical school.

Direct Subsidized Loans are available to undergraduate students with financial need as determined by the student's FAFSA.

Direct Unsubsidized Loans are available to undergraduate and graduate students with no requirement to demonstrate financial need. Additional unsubsidized funds may be available for students whose parents are unable to obtain a Parent PLUS Loan.

Student Eligibility:

- ✓ Students must complete a **FAFSA** (Free Application for Federal Student Aid).
- ✓ Students must be actively enrolled in at least half-time enrollment (**6 credit hours**) each semester loans are requested for at Carl Albert State College (CASC).
- ✓ Students must be making Satisfactory Academic Progress (**SAP**).
- ✓ Students must complete Entrance Counseling (**EC**) for CASC.
- ✓ Students must complete a Master Promissory Note (**MPN**) for CASC
    - The MPN explains all of the terms and conditions of direct loan borrowing and is a legally binding agreement to repay all Direct Loans received under that MPN.

Disbursements:

Approved Federal Direct Loan funds are credited to student billing accounts and will be used to resolve any outstanding balances. Timeframe of disbursement depends on two things: whether the student is a previous borrower or first-time borrower and whether the loan is processed as a one-semester loan or a two-semester loan.

First-Time Borrower

Students that do not owe a balance on any student loans, whether it is their very first loan or if previous loans were paid off. These students are required to wait 30 days after the start of the semester to receive their first disbursement.

One-Semester Loan

Loans processed for one semester at a time are split into two disbursements, one closest to the beginning of the semester and one after the midpoint of the semester.

Two-Semester Loan

Loans processed for two semesters will disburse total offered term amount in the first semester and the remaining offered amount in the second semester.

Refunds:

When the transfer of the loan monies results in an overpayment of the student's billing account, the excess funds will be refunded to the student through their designated electronic refund option.

- Choosing a refund designation is completed through the **myCarlAlbert** student portal.
- If a student is due a refund but has not set up their account, the CASC Business Office will attempt to contact the student to complete it as soon as possible so the student may receive their funds in a timely manner.

Basic Borrower Limits:

Loan limits depend of the type of student but cannot exceed term limits or the estimated Cost of Attendance (COA). The COA reflects estimated costs that a typical student in a given set of circumstances will incur, within a moderate lifestyle, to attend an institution for a given period of time. This is used to award appropriate levels of funding to each student and is not what it would actually cost to attend school. CASC uses a 9-month budget based on a 15-hour credit load per semester as a base average.

Minimum: Minimum loan amounts cannot be less than $200 per semester on a student loan. If a student is eligible for less than $200 for a single semester, they will not receive an offer.

Maximum: Students can generally borrow up to their COA minus other aid they receive, or their calculated annual amount.

Full annual limit depends on multiple factors including:

- ✓ Dependent/Independent Student status
- ✓ Student Classification (Number of post-secondary hours completed)
- ✓ Fall/Spring Registered and Planned hours
- ✓ Previous Loan History
- ✓ Calculated Need

Student **dependency** is determined by the FAFSA and is verified by the Office of Financial Aid.

- **Dependent** students: required to list a parent on their FAFSA
- **Independent** students: not required to list a parent on their FAFSA

Student **classification** is determined by the total number of post-secondary hours completed.

- **Freshman**: 0-30 completed hours
- **Sophomore**: 31 or more completed hours

Semester Limits:

There is a limit on the amount of student loans a person can borrow within a single semester. Students enrolled in less than 12 credit hours will have a prorated loan offer based on their planned or actual enrollment. Enrollment in more than 12 credit hours per semester may increase the semester loan limit.

Schedule changes within the semester may cause loans to be reduced, either for the current term or the next term.

Dependent Student Examples:

	Example 1 Dep. Freshman				Example 2 Dep. Sophomore			
	12 hours	10 hours	8 hours	6 hours	12 hours	10 hours	8 hours	6 hours
Subsidized Max Term	$1,750	$1,458	$1,167	$875	$2,250	$1,875	$1,500	$1,125
Unsubsidized Max Term	$1,000	$833	$667	$500	$1,000	$833	$667	$500

Independent Student Examples:

	Example 1 Ind. Freshman				Example 2 Ind. Sophomore			
	12 hours	10 hours	8 hours	6 hours	12 hours	10 hours	8 hours	6 hours
Subsidized Max Term	$1,750	$1,458	$1,167	$875	$2,250	$1,875	$1,500	$1,125
Unsubsidized Max Term	$3,000	$2,500	$2,000	$1,500	$3,000	$2,500	$2,000	$1,500

Annual Limits:

There is a limit on the amount of student loans a person can borrow within an Academic Year. Total amount may change within the year if the student's enrollment changes.

If enrolled in 12 hours Fall and Spring	Freshman (0-30 Completed Hours)		
	Base Amt Amount (Sub/ Unsub)	**Additional Amount** (Unsub Only)	**Max Loan Amount** (Per Year)
Dependent Student	**$3,500**	**$2,000**	**$5,500**
Independent Student	**$3,500**	**$6,000**	**$9,500**

If enrolled in 12 hours Fall and Spring	Sophomore (31+ Completed Hours)		
	Base Amount (Sub/Unsub)	**Additional Amount** (Unsub Only)	**Max Loan Amount** (Per Year)
Dependent Student	**$4,500**	**$2,000**	**$6,500**
Independent Student	**$4,500**	**$6,000**	**$10,500**

Lifetime (Aggregate) Limits:

There is a limit on the amount of student loans a person can borrow in their lifetime.

Year in College	**Dependent Students** (except students whose parents are unable to obtain PLUS Loans)	**Independent Students** (and dependent undergraduates whose parents are unable to obtain PLUS Loans)
Subsidized and Unsubsidized Aggregate Loan Limit	$31,000 No more than $23,000 of this amount may be in subsidized loans.	$57,500 for undergraduates No more than $23,000 of this amount may be in subsidized loans.

Successful Loan Request:

If a student meets all federal and institutional requirements, a financial aid counselor will review the loan request and eligibility and then offer a loan amount on the student's myCarlAlbert student portal. The student must then:

1. Login to myCarlAlbert
2. Review My Awards for Loan Amount
3. Accept or Decline Loan Offer

Students with a loan offer will receive an email with the following information.

Loan Offered (email text)

Your student loan request has been successfully processed. Please complete the following steps to make sure your loan is disbursed properly and in a timely manner:

- Log on to your myCarlAlbert student portal
- Review and Accept or Decline the loan offer
- Complete loan Entrance Counseling (https://studentaid.gov/entrance-counseling/)
- Master Promissory Note for Undergraduate Students (MPN) (https://studentaid.gov/mpn/)

Notice of Annual Loan Limit Reductions for Less-Than Full-Time Students

- As of July 1, 2026, students enrolled in 11 credit hours or less will no longer be eligible to borrow the same annual amount as if they were enrolled in 12 or more credit hours.
- The annual loan limit will be prorated based on enrolled hours and may change during the year if the student's enrollment changes.
- Additionally, if a student drops classes after loans have disbursed, future loans will be adjusted to account for the student's completed annual hours.

Important Reminders:

- The deadline to request a loan is the Wednesday of the week before finals week.
- Loan offers must be accepted and all requirements met by the last day of classes in order to receive the funds for that requested semester.

- Origination Fee: All Direct Subsidized Loans and Direct Unsubsidized Loans have a loan fee. The percentage for loans first disbursed on or after Oct. 1, 2020 is 1.057%. Loans first disbursed before that date had different loan fees.
- Interest Rates: The interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans first disbursed after July 1, 2024 is 6.53%. The interest rate is a fixed rate for the life of the loan. The interest on new loans may be different.

First-Time Borrowers:
- Require a 30-Day Delay before their first disbursement. (usually the 2nd disbursement date)
- These are students that do not owe on any student loans. (whether it is their very first loan or previous loans were paid off)

Two-Semester Loans v One-Semester Loans:
- Fall/Spring and Spring/Summer loans will disburse half of the total offered amount in the Fall and half of the total in the Spring.
- Fall-Only, Spring-Only, and Summer-Only loans will disburse half early in the semester and half after the midpoint.

Please review our loan webpage for more information here: https://carlalbert.edu/admissions/financial-aid/loans/.

Loan Fees & Interest Rates:

Loan (Origination) Fees:

All Direct Subsidized Loans and Direct Unsubsidized Loans have a loan fee. The loan fee is a percentage of the loan amount and is proportionately deducted from each loan disbursement. The percentage for all Direct Subsidized and Unsubsidized loans first disbursed on or after Oct. 1, 2020 is **1.057%**. Loans first disbursed before that date had different loan fees. View loan fees for loans disbursed earlier.

Example: Estimated Loan Disbursement (full offered amount): $2,750 x 1.057% = $29.0675 (rounded $30)

Actual Disbursement: $2,720

Interest Rates:

All interest rates shown in the chart below are fixed rates. A fixed rate will not change for the life of the loan. If your loan was disbursed before July 1, 2025, you likely have a different interest rate. View interest rates for loans disbursed earlier.

Loan Type	Borrower Type	Fixed Interest Rate
Direct Subsidized Loans Direct Unsubsidized Loans	Undergraduate Students	6.39%

The U.S. Department of Education pays the interest on a Direct Subsidized Loan

- while you're in school at least half-time,
- for the first six months after you leave school (referred to as a grace period), and
- during a period of deferment (a postponement of loan payments).

Students are responsible for paying the interest on a Direct Unsubsidized Loan for the life of the loan.

- During periods of time when you are not required to make payments—such as while you are in school, in a deferment, or in a forbearance, your interest will accrue (accumulate) and it will in certain instances be capitalized (which means that your interest will be added to the principal amount of your loan). Whether your unpaid interest capitalizes or not, you are still responsible for paying the interest that accrues. You can always choose to pay the interest that accrues even when you are not required to make a payment.

Reasons for Loan Denial or Rejection:

If a student loan request cannot be completed by a counselor, the student will receive a "Loan Request Denied" email that notes the reason the request cannot be processed.

Below are possible rejection responses:

No FAFSA on File (email text)

Your student loan request has been denied because we do not have a valid FAFSA (Free Application for Federal Student Aid) on file for the requested academic year.

Please complete the FAFSA at studentaid.gov/h/apply-for-aid/fafsa and list Carl Albert State College (003176) as a recipient.

If you have any questions or feel as though this message was received in error please reach out to your Financial Aid Counselor for more information.

Not Enough Credit Hours (email text)

Your student loan request has been denied because you have not met the minimum enrollment requirement.

Students must be enrolled in at least 6 credit hours for each requested semester.

If you have any questions or feel as though this message was received in error please reach out to your Financial Aid Counselor for more information.

Annual Loan Limit Met (email text)

Your student loan request has been denied because you have already received your annual loan limit. We are not allowed to offer aid over this limit.

Maximum Amounts Per Academic Year: (if registered for 12 credit hours in Fall and Spring)
Dependent Freshman: $5,500
Dependent Sophomore: $6,500
Independent Freshman: $9,500
Independent Sophomore: $10,500

If you have any questions or feel as though this message was received in error please reach out to your Financial Aid Counselor for more information.

Semester Loan Limit Met (email text)

Your student loan request has been denied because you have already received your maximum loan limit for the requested semester. We are not allowed to offer aid over this limit.

Maximum Amounts Per Semester: (if registered for 12 credit hours each semester)
Dependent Freshman: $2,750
Dependent Sophomore: $3,250
Independent Freshman: $4,750

Independent Sophomore: $5,250

If you have any questions or feel as though this message was received in error please reach out to your Financial Aid Counselor for more information.

COA Met (email text)

Your student loan request has been denied because you have already received financial aid funds up to your estimated Cost of Attendance (COA). We are not allowed to offer aid over this limit.

If you have any questions or feel as though this message was received in error please reach out to your Financial Aid Counselor for more information.

Loan Request Rejected (email text)

Your student loan request has been rejected because the request is incomplete, for the incorrect term, or because your file is still incomplete and your eligibility cannot yet be determined.

If you have any questions or feel as though this message was received in error please reach out to your Financial Aid Counselor for more information.

Repayment:

Grace Period:

Generally, once a student graduates, drops below half-time enrollment, or leaves school, their federal student loan goes into repayment. However, Federal Direct Loans have a six-month grace period before the borrower is required to start making regular payments. Interest accrues during the grace period.

Making Payments:

The U.S. Department of Education (ED) uses several loan servicers to handle the billing and other services. Your loan servicer will set you up under the Tiered Standard Plan (for loans disbursed on or after July 1, 2026) unless you tell your loan servicer you want a different repayment plan. To discuss repayment plan options or change your repayment plan, contact your loan servicer.

Deferment:

During a deferment, interest doesn't accrue on some types of loans.
In most cases, student loans will be placed into a deferment automatically while the student is enrolled in six credit hours or more. You have the option to opt out of an automatic in-school deferment if you'd like to continue making payments.

During periods of deferment, interest will accrue on the loan. Borrowers may choose to pay the accrued interest or allow the interest to be capitalized (added to the loan principal balance) when payments begin. Loan servicers will notify borrowers when their first payment is due.
You might be able to get a student loan deferment if you are

- undergoing cancer treatment;
- experiencing economic hardship;
- in a graduate fellowship program;
- enrolled in school at least half-time;
- performing qualifying military service;
- a post-active duty service member;
- a Parent PLUS borrower with student enrolled in school;

- enrolled in a rehabilitation training program; or
- unemployed.

Forbearance:

During a forbearance, interest accrues on all loan types.
You might be able to get a student loan forbearance if you are

- experiencing financial difficulties, such as medical expenses or changes in income;
- serving in AmeriCorps;
- performing service that would qualify you for partial loan forgiveness through the U.S. Department of Defense;
- working in a medical or dental internship or residency;
- serving in the National Guard;
- have student loan payments that are high in relation to your income; or
- working as a teacher to qualify for Teacher Loan Forgiveness.

Consequences of Nonpayment:

Delinquent:

The first day after you miss a student loan payment, your loan becomes past due, or delinquent. Your loan account remains delinquent until you repay the past due amount or make other arrangements, such as changing repayment plans or getting a deferment or forbearance.

If you are delinquent on your student loan payment for 90 days or more, your loan servicer will report the delinquency to the national credit bureaus, which can negatively impact your credit rating. If you continue to be delinquent, you risk your loan going into default.

During the summer months, financial aid staff attempt to contact and remind borrowers of their obligation to repay their loan(s) and encourage them to stay in contact with their loan servicers.
Delinquent borrowers receive the following email to the latest contact information on file:

> This is a courtesy reminder of your obligation to repay your Federal Student Loans as outlined in your signed Master Promissory Note.
>
> You are receiving this notice because you currently have a delinquent federal student loan and have not enrolled with us or another institution of higher education.
>
> Please make every effort to remain compliant and keep your loans from reaching a Defaulted status by:
> 1. Logging into StudentAid.gov to update your profile with your current contact information (https://studentaid.gov/);
> 2. Reviewing repayment options to find the best fit for you (https://studentaid.gov/manage-loans/repayment/plans);
> 3. Contacting your loan servicer listed on StudentAid.gov to ensure they have your current contact information.
>
> You can read more about how student loan delinquency and defaults can affect your financial wellbeing at the following link (https://studentaid.gov/manage-loans/default).

Default:

After about 270 days after a missed payment, federal direct loans will enter a “Default” status. Defaulting on a student loan can lead to serious **legal and financial consequences**, which include the following:

- The entire unpaid balance of your loan and any interest you owe becomes immediately due (this is called "acceleration").
- Your tax refunds and federal benefit payments may be withheld and applied toward repayment of your defaulted loan (this is called “Treasury offset”).
- Your wages may be garnished. This means your employer may be required to withhold a portion of your pay and send it to your loan holder to repay your defaulted loan.
- You can no longer receive deferment or forbearance, and you lose eligibility for other benefits, such as the ability to choose a repayment plan.
- You lose eligibility for additional federal student aid such as Federal Pell Grants and student loans.
- The default is reported to credit bureaus, damaging your credit rating and affecting your ability to buy a car or house or to get a credit card.
- It may take years to reestablish a good credit record.
- You may not be able to purchase or sell assets such as real estate.
- Your loan holder can take you to court.
- You may be charged court costs, collection fees, attorney’s fees, and other costs associated with the collection process.
- Your school may withhold your official transcript.

Students actively in default on their federal student loans have their aid applications (FAFSA) flagged so that institutions know the student cannot receive further aid until the default is resolved. These students are required to personally contact their student loan servicer to make repayment arrangements. Students who are able to successfully resolve their default are able to have aid reinstated by either:

1. Submitting an official letter from their servicer stating that they are no longer in default and the date the status changed, or
2. Waiting for their aid application (FAFSA) to be reprocessed and sent to the institution so the school is officially notified of the default resolution.

In some circumstances, it is possible for students to have a clear and valid application and have aid disbursed but then the school is notified later of a late determined default status. These students are notified individually that they must resolve their status before receiving any further aid for the semester.