



Fullerton College

FEDERAL DIRECT STUDENT LOAN INFORMATION

2025-2026 Award Year

Dear Student,

You will need to follow the instructions on this page in order to receive a Federal Direct Student Loan. Taking out a loan is a big responsibility and should not be taken lightly. A student loan, like any other loan, is a debt that must be repaid with interest. You will owe this money back even if you withdraw from Fullerton College without completing your degree or are unable to find work. On a positive note, taking out a student loan can also help you establish or re-establish a good credit history and can assist you in bridging the gap to meet your educational expenses goal.

The amount you may borrow is determined on two factors: 1) the total number of units you have completed, and 2) your 'unmet need' on your financial aid offer. Students must be enrolled in at least 6 units to be eligible to receive a loan. The Financial Aid Office wants you to exhaust all gift aid, such as grants and scholarships, before taking out a student loan. You should not apply for a loan until you have viewed your financial aid offer letter through email or in myGateway.

Be aware that you can apply anytime for your loan during the Fall and Spring semester until our advertised spring cutoff date for the 2025-2026 academic year. If you do not need the funds now, you can wait to apply at a later date.

If you have any additional questions, visit our website at <https://financialaid.fullcoll.edu/types/#loans> or request a callback at <https://financialaid.fullcoll.edu/qless/>. Should you decide to take out a student loan, please follow the instructions at the right of this page. Best of luck in reaching your personal and educational goals!

Greg Ryan

Director of Financial Aid

Loan Process Steps at Fullerton College

1. Complete the current year FAFSA at <https://studentaid.gov/h/apply-for-aid/afsa>.
 2. Once you have completed all requirements, you may apply for your loan. Please complete and submit the Direct Loan Request form online at <https://fullcoll.studentforms.com>
 3. Once you submit your Direct Loan Request form, allow 5 business days for processing, then complete the required Loan Entrance Counseling online at <https://studentaid.gov/entrance-counseling>.
 4. You will receive an email notification once your loan is originated. Please refer to your current year financial aid award offer on myGateway to view the approved loan(s) and loan amounts.
 5. Sign your MPN (Master Promissory Note) online at <https://studentaid.gov/mpn/>.
- **IMPORTANT:** Failing to complete the Loan Entrance Counseling and MPN requirements will prevent your loan disbursement.
 - You will receive a disclosure notice in the mail.
 - Complete Loan Exit Counseling once you have graduated or separated from Fullerton College.

REMEMBER: Students must be enrolled in at least 6 active units (half-time) at the time of disbursement and be enrolled in classes listed on their educational plan. Disbursement dates for the loan can be found at <https://financialaid.fullcoll.edu/> per your financial aid offer. Federal Direct Student Loans will be disbursed no sooner than 30 days after the beginning of the academic period for NEW borrowers and after the freeze date for RETURNING borrowers. The funds will be disbursed to students' selected refund preference.

Any loans requested after the start of the academic period will be disbursed approximately two to four weeks after all the steps are completed. If you have any questions, you may contact the Financial Aid Office or log back into www.studentaid.gov.

Right to Cancel

An email notification is sent to the student once the loan is originated to confirm the loan has been approved and provide the student with a right to cancel all or any part of the loan. You have the right to cancel or reduce your loan amount 30 days prior to the scheduled disbursement date and 30 days after the loan disbursement date. If a student chooses to cancel or reduce the loan at any time prior to the scheduled disbursement date an email request should be sent to financialaid@fullcoll.edu. An email to confirm the request has been received and processed will be sent to the student. Once the loan is disbursed, and the student decides the loan is no longer needed, the student should contact the financial aid office within 30 days of disbursement for options to return the loan.

Interest Rate

There is a fixed interest rate of 6.39% for both subsidized and unsubsidized loans disbursed between July 1, 2025 and June 30, 2026. The Department of Education will announce the interest rate for the 2026-2027 academic year at a later time.

Types of Loans

Fullerton College participates in the Federal Direct Loan Program (William D. Ford), Federal Direct Subsidized (need based, interest paid by the Federal government), and unsubsidized (non-need based, interest accrues after disbursement). Fullerton College does NOT participate in parent PLUS loans or private loans.

Maximum Loan Amounts

The Direct Subsidized maximum amounts are:

- First Year Student: \$3,500 (0-29 units completed)
- Second Year Student: \$4,500 (30+ units completed)

Students must have at least enough unmet need on their official offer of financial aid to cover the loan.

If you need additional funds and are an independent student or if you do not have enough unmet need to receive the full subsidized amount, you may receive an unsubsidized loan. Independent first- and second-year students may request up to \$6,000. Dependent students may only apply for an additional unsubsidized loan of up to \$2,000.

Independent students may combine the two amounts, for a total of:

- First Year student: \$3,500 + \$6,000=\$9,500 (0-29 units completed)
- Second Year student: \$4,500 + \$6,000=\$10,500 (30+ units completed)

Fees

There is a fee associated with borrowing a Federal Direct Student Loan. The origination fee is 1.057% through October 1, 2026. The Department of Education will announce the updated origination fee for loans disbursed after October 1, 2026 at a later time. Your loan amount will be reduced by the amount of the fees; however, you will be responsible for repayment of the entire amount borrowed at the time of repayment.

Counseling

You will need to complete the loan entrance counseling each year you apply for a student loan from Fullerton College. You must also complete exit loan counseling before you withdraw, graduate, or drop below half-time attendance.

Instructions to log in to studentaid.gov to complete counseling online and the URL for the Direct Loan Exit Counseling

Guide (<https://studentaid.gov/sites/default/files/exit-counseling.pdf>) are included. Students who complete the Exit Loan Counseling online will have a confirmation of completion automatically sent to their loan servicer. Students who elect to complete the printed Exit Loan Counseling Guide should mail a copy of the Student Contact Information Acknowledgement to their school.

Repayment

Currently the U.S. Department of Education has an on-ramp period which ends September 30, 2024. Students are encouraged to take action and select a repayment option with their loan service so it prevents students from going into delinquency or default which can have an impact on credit worthiness.

The Financial Aid Office at Fullerton College understands that going back into repayment can be overwhelming and is here to help. We have partnered with ECMC to assist our students with repayment option selection and help meet their financial needs. This could include in-school deferment, forbearance, income-based repayment, etc. ECMC is a non-profit company and has students' best interest at heart. They also have educational tools to help the community with resources, scholarships, and financial wellness. For more information, students may visit our website at <https://financialaid.fullcoll.edu/financial-wellness/>.

Time Limitation on Direct Subsidized Loans

There is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. In general, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program. This is called your "maximum eligibility period." You can usually find the published length of any program of study in your school's catalog. For example, if you are enrolled in a 2-year associate degree program the maximum period for which you can receive Federal Direct Student Loans is 3 years (150% of 2 years = 3 years). Please note if you fail to complete your program within the maximum eligibility period you may lose eligibility for future subsidized loans as well as the interest subsidy on all prior subsidized loans.

NSLDS

For students applying for a student loan, information will be submitted to the National Loan Data System (NSLDS). The NSLDS and the associated information will be available and accessible to guaranty agencies, lenders, institutions, and other determined to be authorized users of the data system. Students may also access their own information at www.studentaid.gov.



Legislation and governmental regulations are continually changing the face of student financial aid. The information contained in this brochure is correct as of the time of publication March 2025. However, information is subject to change without notice.