DIRECT LOAN INFORMATION SHEET

2026-2027

Fullerton College

Dear Student,

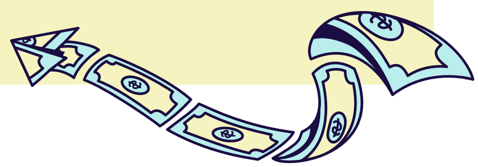
You will need to follow the instructions on this page in order to receive a Federal Direct Student Loan. Taking out a loan is a big responsibility and should not be taken lightly. A student loan, like any other loan, is a debt that must be repaid with interest. You will owe this money back even if you 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 these factors: 1) the total number of units you have completed, 2) your 'unmet need' on your financial aid offer, your dependency status, and the number of units you enroll in each semester. 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.

You can apply for your loan anytime during the fall and spring semesters up until the advertised spring cutoff date for the 2026-2027 academic year. If you don't need the funds right away, you may choose to apply later in the semester.

If you have any additional questions, visit our website at financialaid.fullcoll.edu or request a callback at financialaid.fullcoll.edu/qless. Should you decide to take out a student loan, please follow the instructions provided on this information sheet. Best of luck in reaching your personal and educational goals!

Greg Ryan
Director of Financial Aid



Loan Steps at Fullerton College

1. **Complete Your FAFSA**
   Submit the current year FAFSA online at StudentAid.gov.

2. **Submit Your Direct Loan Request Form**
   After completing all financial aid requirements, fill out and submit the Direct Loan Request Form online on your Dynamic Verification account.

3. **Allow Processing & Complete Loan Entrance Counseling**
   Wait approximately 5 business days for processing, then complete your required Loan Entrance Counseling at StudentAid.gov/Entrance-Counseling.

4. **Review Your Loan Offer on myGateway**
   You'll receive an email once your loan is processed. Check your financial aid award in myGateway to view your approved loan amount(s).

5. **Sign Your Master Promissory Note (MPN)**
   Complete your MPN online at StudentAid.gov/MPN to finalize your loan.

Important Reminders:

- *Active enrollment in 6+ units required for loans.*
- *Complete Loan Entrance Counseling and MPN to receive loan funds.*
- *A loan disclosure notice will be mailed to you.*
- *Complete Loan Exit Counseling upon graduation or if you stop attending Fullerton College.*

Your Right to Cancel

Once your loan is originated, you will receive an email confirming your approval and your right to cancel all or part of your loan(s).

You may cancel or reduce your loan amount:

- Up to 30 days before your scheduled disbursement date
- Within 30 days after your loan has been disbursed

To cancel or reduce your loan **before disbursement**, submit your request by email to FinanciaAid@fullcoll.edu. You will receive confirmation once your request has been processed.

If your loan has already been disbursed and you no longer need the funds, contact the Financial Aid Office within 30 days of disbursement for options to return the loan.

Enrollment Requirements

Starting in the 2026-2027 academic year, federal loan eligibility will be determined in accordance with the Schedule of Reduction. Under this policy, loan amounts will be prorated based on the number of units in which a student is enrolled at the time of disbursement. Borrowers taking fewer than 12 units (full-time) will receive reduced loan amounts proportional to their unit load. Students must be enrolled in a minimum of 6 units (half-time) to qualify for student loans.

If units are reduced after loan disbursement, a balance will be owed, or an adjustment will be made to a future loan in the same academic year.

Additional guidance from the U.S. Department of Education is forthcoming.

Loan Disbursements

To receive your loan funds, you must be enrolled in at least 6 active units (half-time) at the time of disbursement and be enrolled in courses listed on your educational plan.

Disbursement dates are available on the How Financial Aid Gets to You flyer in the Publications section of our website (financialaid.fullcoll.edu).

Loan funds are disbursed:

- **New borrowers:** No sooner than 30 days after the start of the semester (if student is enrolled in 6 active units; late start classes may impact your disbursement date)
- **Returning borrowers:** After the semester's freeze date (if student is enrolled in 6 active units; late start classes may impact your disbursement date)

Funds will be disbursed via BankMobile to your selected refund preference.

If you request a loan after the term has begun, funds are typically disbursed within 2-4 weeks after all requirements have been completed.

Types of Loans

Fullerton College participates in the William D. Ford Federal Direct Loan Program that provides low-interest loans directly from the U.S. Department of Education to help students pay for college.

Types of loans offered at Fullerton College:

- **Subsidized Loans:** The U.S. Department of Education pays the interest while you are in school at least half-time (6 units), for the first six months after you leave school, and during a period of deferment (a postponement of loan payments).
- **Unsubsidized Loans:** You are responsible for paying the interest during all periods.

Fullerton College does NOT participate in Direct PLUS Loans or private loans.

Interest Rate

Federal Direct Subsidized and Unsubsidized undergraduate Loans have a fixed interest rate of **6.52%** for loans disbursed between July 1, 2026 and June 30, 2027.

Fees

Federal Direct Loans include an origination fee. For subsidized and unsubsidized loans first disbursed on or after October 1, 2020, the fee is **1.057%**. (Loans disbursed prior to this date may have different fees.) This fee is deducted from your loan before funds are disbursed to you. However, you are responsible for repaying the full loan amount borrowed, not just the amount you receive. The U.S. Department of Education will notify borrowers if there are any updates to loan fees.

Maximum Loan Amounts

Year	Dependent Students	Independent Students
First-Year (0-29) Undergraduate Annual Loan Limit	$5,500 maximum *$3,500 of this amount may be in subsidized loans.*	$9,500 maximum *$3,500 of this amount may be in subsidized loans.*
Second-Year (30+ units) Undergraduate Annual loan Limit	$6,500 maximum *$4,500 of this amount may be in subsidized loans.*	$10,500 maximum *$4,500 of this amount may be in subsidized loans.*
Third-Year and Beyond Undergraduate Annual Loan Limit ***ONLY FOR STUDENTS IN BA PROGRAM***	$7,500 maximum *$5,500 of this amount may be in subsidized loans.*	$12,500 maximum *$5,500 of this amount may be in subsidized loans.*

Only students enrolled in the Bachelor of Science in Drone and Autonomous Systems program may apply for the third-year and beyond loan amounts at Fullerton College.

Please be advised that maximum federal loan eligibility is determined based on full-time enrollment status. At Fullerton College, full-time enrollment is defined as 12 or more units.

The **subsidized loan** maximum amounts are:

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

Students must have sufficient unmet financial need in their official financial aid offer to be eligible for the requested loan amount.

If you need additional funding, or if you do not have enough unmet need to qualify for the full subsidized loan, you may be eligible for an **unsubsidized loan**. Independent first- and second-year students may request up to $6,000 in unsubsidized loan funds. Dependent students may request up to an additional $2,000 in unsubsidized loans.

Dependent students may combine the two amounts, for a maximum loan total of:

- First-Year Student (0-29 units): $3,500 subsidized + $2,000 unsubsidized = $5,500 total annual loan
- Second-Year Student (30+ units): $4,500 subsidized + $2,000 unsubsidized = $6,500 total annual loan

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

- First Year student (0-29 units): $3,500 subsidized + $6,000 unsubsidized = $9,500 total annual loan
- Second Year student (30+ units): $4,500 subsidized + $6,000 unsubsidized = $10,500 total annual loan

TIME LIMITATION ON DIRECT SUBSIDIZED LOANS

There is a limit on how long you can receive subsidized loans, called your maximum eligibility period. In general, you cannot receive subsidized loans for more than 150% of your program's published length. You can find your program's published length in the Fullerton College catalog.

- Example: For a 2-year associate degree, the maximum period is 3 years (2 years × 150% = 3 years maximum eligibility period).

Important: If you do not complete your program within this maximum period, you may lose eligibility for future subsidized loans and the interest subsidy on any prior subsidized loans.

Repayment

Beginning July 1, 2026, if you take out a new federal student loan (Direct subsidized and Direct unsubsidized), your repayment options will be limited to two plans: (1) The Tiered Standard Plan (Tiered Standard) or (2) The Repayment Assistance Plan (RAP), which will be the only income-driven repayment option available. Current repayment plans such as SAVE, PAYE, and ICR will no longer be available for new borrowers. It's important to understand that taking out new loans after this date may place all of your federal loans under this new system, which could impact your overall repayment strategy. Please visit the StudentAid.gov website for more information.

You can also receive FREE student loan counseling through our non-profit partner, ECMC Solutions (Educational Credit Management Corporation). ECMC Solutions can help you understand your loans, explore repayment options, and choose a plan that works for you. Access ECMC's free services in the Financial Wellness section of our website: financialaid.fullcoll.edu/financial-wellness.

NSLDS

When you apply for a student loan, your information is submitted to the National Student Loan Data System (NSLDS). The information provided will be accessible to guaranty agencies, lenders, institutions, and other authorized users of the data system. You may also view your own loan records at StudentAid.gov.

*Federal and state regulations affecting financial aid are constantly changing. The information in this Direct Loan Information Sheet is accurate as of **April 2026**, but it may change without notice.*