



Rio Hondo College FFELP Stafford Loan Information and Application Process

Rio Hondo College endorses the philosophy of assisting students in maintaining a low level of loan debt. Receiving a student loan is a serious matter and when you accept a student loan you accept the responsibility and obligation of repayment. Therefore, we have provided the information below to assist you in understanding the federal student loan program and the process at Rio Hondo College.

Before you can request a loan application you must complete the Free Application for Federal Student Aid (FAFSA) via the web at www.fafsa.ed.gov for Rio Hondo College (001269). Once your FAFSA is completed, you will receive an award notification email notifying you of your financial aid eligibility.

To be eligible to apply for a Federal Stafford Loan you must:

1. Meet and maintain Satisfactory Academic Progress as determined by RHC
2. Enroll in at least (6) units per semester in a program leading to a degree or certificate at Rio Hondo College and/or transfer to a university.
3. You must not be delinquent or in default on any Federal Student Loan or owe a refund on Federal/State grant.
4. You may not exceed annual borrowing limits nor can you exceed the aggregate borrowing limits.
5. Before you can be considered for a Stafford Loan, you must be considered for other Title IV funds first and must have remaining unmet need after other grants, scholarships, work study programs have been considered.

Borrowers must attend an entrance interview as required by the U.S Department of Education and Rio Hondo College's Federal Student Loan Default Management Plan. Visit the financial aid website for dates and times at <http://www.riohondo.edu/students/financialaid>.

Loan Packets will be distributed at the loan workshop. **It is MANDATORY that students return their Loan Application Worksheet and MPN to the Office of Financial Aid within 48 hours of attending a loan workshop.**

- The loan amount you are eligible to borrow is determined by the information submitted on your FAFSA, the number of units you have completed, cost of attendance and your dependency status. The Office of Financial Aid will notify you of your loan eligibility or denial with the reason for the denial.
- Processing time is approximately four to five weeks after all requested loan documents are received and your financial aid file has been reviewed and finalized. Funds will be received via a "check" made payable to you at Rio Hondo College.
- First disbursement will be delayed until the 30th day calendar day after the start of the semester. Each student's disbursement date may vary due to status and completion of your financial aid file. Before funds are released we will review your current semester units, financial need and NSLDS Record (National Student Loan Database System) to ensure your eligibility for disbursement.
- Most loan funds are disbursed in one standard disbursement per semester. However, if your loan is processed for one semester only, you will receive your loan funds in two equal amounts, within the one semester.
- You have thirty (30) days from the date of the check to pick it up at the Accounting Office Window. Otherwise Rio Hondo College Office of Financial Aid will return the check to the lender.
- Rio Hondo College's Default Management Policy states all students must complete an **entrance and exit session each academic year or upon mid-year transfer**.
- Each student must complete an **exit counseling session** each academic year or upon midyear transfer. You may complete your exit counseling session online at: www.edfund.net . **Please note that if you do not complete your exit session after your first loan disbursement, your second disbursement will be held until the exit session is complete.**

Loan Limits: Maximum annual loan limit for first year students (29.5 units or less completed) \$3,500; second year students (30 or more units completed) \$4,500. Rio Hondo College cannot certify a Stafford Loan beyond the second year. The unsubsidized loan limits for Dependent Undergraduate Students \$2,000; Independent Undergraduate Student \$6,000.

Units from other colleges are not considered for second year eligibility until you have been conferred a degree or certificate from RHC. The Federal established aggregate borrowing limit for a dependent undergraduate student is \$31,500 and for an independent undergraduate student is \$57,500

Remember to always keep track of all amounts that you borrow and update your lender with changes in your name, address, telephone number, school, and/or references.

Processing Fees: All Federal Stafford Loans are subject to both origination and guarantee fees as well a student default fee that is paid to the Federal Government and the Guaranty Agency. These fees will be deducted from your loan each time the loan is disbursed. Current fees range from 3% - 4%, are based on the amount borrowed and the Guaranty Agency fee that is processing the loan application.

Dropping below Half-time: If you drop below half-time prior to the scheduled fall semester disbursement, the loan checks will be returned promptly to the lender. If you drop below half-time after the scheduled fall semester disbursement and before the fall semester is completed you will not be eligible for a spring semester disbursement of your loan. If you drop below half-time prior to the scheduled spring semester disbursement, the loan check will be returned promptly to the lender. If you withdraw from all classes before 60% of the semester you may be required to repay funds.

Satisfactory Academic Progress: Students receiving financial aid enter into an agreement to make satisfactory academic progress toward their educational goal. Failure to maintain these standards will result in the loss of financial assistance. The Office of Financial Aid reviews academic progress at the end of every semester. The Satisfactory Academic Progress Standards can be reviewed online at <http://www.riohondo.edu/students/financialaid>. **If grades are not yet posted, any financial aid award is tentative until the academic record is reviewed.**

***Note beginning the 2010-2011 year Rio Hondo College Office of Financial Aid will no longer be participating in the Stafford Loan program. All Federal Student Loans will be funded through The Department of Education's Direct Loan Program.

Remember: Borrowing means paying back with interest!

If you have any questions please contact the Office of Financial Aid at (562) 908-3411

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SCHOOL CODE: 001269