

# Educational Loans

CCC participates in the Federal Direct Loan Program. Parent of dependent students may also be eligible for the Federal Direct Parent Loans for Undergraduate Students (Direct PLUS). Funding for your student loan and/or parent loan will come directly from the U.S. Department of Education. Direct Loans may be used for any related educational expense. Students must be accepted in a program (matriculated) and registered for at least 6 credits of degree/program requirements in their primary program of study each semester. All federal student loans must be repaid. Not doing so can impact your credit and have negative consequences long term, which include the possibility of your tax refund being held and wages garnished.

## Federal Direct Loans (Subsidized/Unsubsidized):

"Subsidized" loans up to \$3,500 for freshmen and \$4,500 for sophomores (26 or more credit hours earned) per year are available depending on financial need. The federal government will pay the interest on "subsidized" loans while the student is in school. Additional "unsubsidized" loan funds may be available up to \$2,000 per year for dependent students and \$4,000 per year for independent students, however, interest accrues to the student from the time of disbursement of the loan. Loans are subject to an origination fee which is deducted from the proceeds of the loan. The interest rate is fixed for each loan, and repayment begins six months after leaving school or dropping below half-time. Minimum repayment will vary based on your chosen repayment plan. Complete the FAFSA to apply. For more information about these programs and to complete the Direct Loan Master Promissory Note and Entrance Counseling for first-time borrowers go to [studentaid.gov](https://studentaid.gov).

## Loan Repayment Example - 10 years (120 months)

| Loan Amount | Monthly Payment at 5% interest | Total repaid |
|-------------|--------------------------------|--------------|
| \$5,000     | \$53                           | \$6,364      |
| \$10,000    | \$106                          | \$12,728     |
| \$15,000    | \$159                          | \$19,092     |
| \$20,000    | \$212                          | \$25,456     |

## Direct Parent Loans for Undergraduate Students (Direct PLUS):

Parents of dependent undergraduate students can borrow up to total cost of attendance minus student financial aid per academic year. Direct Parent loans are credit based and a credit check will be run at the time of application. Interest rate is fixed for each loan, and there is an origination fee. Repayment begins immediately after receipt of second disbursement of the loan. To apply, the parent must complete the Direct Plus Loan Application for Parents and the Direct Loan PLUS Master Promissory Note (MPN) online at [studentaid.gov](https://studentaid.gov). Student must have completed a FAFSA prior to this application. Please note, parent will need their FSA User ID and password to complete online MPN.