BRTC Loan Policy

Students who wish to borrow funds from the William D. Ford Federal Direct Loan Program should be aware of the following federal regulations:

ANNUAL STAFFORD LOAN LIMITS

	DEPENDENT		INDEPENDENT	
	Subsidized	Unsubsidized	Subsidized	Unsubsidized
Freshman	$3,500	$2000	$3,500	$6,000
Sophomore	$4,500	$2000	$4,500	$6,000

1.Entrance Loan Counseling and Master Promissory Note (MPN) is required to be completed ONLY once under the Direct Lending program. New borrowers who have NOT borrowed through BRTC's previous loan program should complete it at https://studentaid.gov

2. All borrowers must complete the Free Application for Federal Student Aid (FAFSA) before loan eligibility can be determined.

3. Borrowers will need to complete the BRTC Student Loan application or BRTC Direct Parent PLUS Loan application available at the Financial Aid Office or http://blackrivertech.edu/financial-aid/loan-information.

4. Students must be enrolled in at least **6 credit hours** to be eligible for a student loan. A student will be certified for a loan ONLY for the hours enrolled that are within the his/her degree plan.

5. Students may qualify for a subsidized loan (interest-free during enrollment) and if not, a student will qualify for an unsubsidized loan. **Note: Those receiving Pell should qualify for a subsidized loan.**

6. Every loan must be delivered in two equal disbursements per semester. The second disbursement will be delivered after the midpoint of the semester.

7. For students enrolled in 4-week classes, if you are enrolled in at least 6 credit hours but less than 6 hours have actually begun, you will not be eligible for your first loan disbursement until you have begun attendance in at least 6 credit hours.

8. First-time borrowers who are first-time entering students must wait thirty (30) days after the semester begins to receive the first disbursement.

9. All borrowers must complete an exit loan counseling session prior to graduation, if he/she ceases to be enrolled at least half-time, or upon termination of enrollment at https://studentaid.gov/exit-counseling/

10. All borrowers should understand that class attendance through the 60% point of the semester is **mandatory** under the Federal Title IV Funds regulation. If a borrower quits attending or withdraws before that point, he/she may owe a refund to BRTC and/or the U.S Dept. of Education for funds received that were not earned.

11. As a result of the One Big Beautiful Bill Act (OBBBA), federal student loan borrowing amounts have changed. This will apply to all BRTC student (not parent) borrowers with Direct Subsidized and Direct Unsubsidized loans (even those considered legacy borrowers who borrowed prior to July 1, 2026).
Note: Parent PLUS loans are ***not*** subject to these adjustments.

Beginning in Fall 2026, loans will be prorated as follows:

Student Category	Definition	Loan Award Amount
Fulltime	Students taking 24 credit hours or more during the fall *and* spring semesters (12+ credit hours each semester)	Eligible for full loan amount
Half-Time	Students taking 12-23 credit hours during the fall *and* spring semesters (6-11 credit hours in both or 1 semester)	Eligible for a reduced loan amount based upon the following formula, called the Schedule of Reduction (SOR): $\left(\frac{\text{number of credit hours enrolled for academic year}}{\text{number of credit hours considered full time for that academic year program of study}} \right) \times 100$
Less than Half-Time	Students taking fewer than 6 hours in a semester	Not eligible for federal student loans

Example of a Schedule of Reduction (SOR)

Requested Loan Amount: $5,000 to be split between the Fall and Spring semesters

Distribution of Requested Amount:

- **Fall**: Enrolled 9 credit hours (hrs.) 9 hrs./24 hrs. x 100 = 37.5% = $1,875
- **Spring**: Enrolled 12 credit hours (hrs.) 12 hrs. /24 hrs. x 100 = 50% = $2,500

For More Information

To read the One Big Beautiful Bill Act (OBBBA) visit https://www.congress.gov/bill/119th-congress/house-bill/1/text

To read more about the Federal Student Loan program changes, visit https://www.federalregister.gov/documents/2026/05/01/2026-08556/reimagining-and-improving-student-education-federal-student-loan-program-final-regulations

To read the final rules from the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) rulemaking committee, visit https://www.federalregister.gov/documents/2026/05/19/2026-10013/accountability-in-higher-education-and-access-through-demand-driven-workforce-pell-pell-grant

*** Our office will process loan refunds once a month and notification will be sent to students by email once the refunds are processed and mailed. ***