



DIRECT LOAN PROGRAM FREQUENTLY ASKED QUESTIONS

What is a Direct Loan?

A Direct Loan is a low-interest loan which students may borrow while attending school and then pay back once they graduate or no longer meet eligibility requirements listed below.

What is the difference between Subsidized and Unsubsidized Loans?

A subsidized loan is a need-based loan on which the federal government pays the interest while you are in school, in your grace period, and during authorized periods of deferment. An unsubsidized loan is a loan on which the borrower is responsible for paying all the interest.

What are the Direct Loan eligibility requirements?

- Enroll in a Degree Program
- Register in 6 or more hours in each semester for which you are requesting a loan disbursement
- Maintain a 2.0 or higher GPA
- Maintain Satisfactory Academic Progress (SAP) as follows:
 - Th.M. 16 Credit Hours*
 - M.A./BC 13 Credits Hours*
 - S.T.M. 12 Credit Hours*
 - M.A.(BS), M.A./CE, M.A./BEL, M.A./CM 10 Credit Hours*

*Per academic year, defined as fall, spring, and summer (Example: a Th.M. student must complete 16 or more credits in Fall 11 / Spring 12 / Summer 12 to be eligible to borrow in 2012-2013.)

Do extension site students qualify for Direct Loans?

Currently, Direct Loans are only available at the Houston Extension Site (in addition to the Dallas Main Campus). Students taking only online classes are also eligible to borrow.

What is the interest rate of Direct Loans?

Direct Loans have a fixed interest rate of 6.80 percent.

What are the Direct Loan borrowing limits?

Students may now be eligible to borrow up to \$20,500 per year, up to \$8,500 of which can be subsidized funds, without exceeding the Cost of Attendance during any loan period. Federal guidelines limit borrowers to a combined total of \$138,500 in undergraduate and graduate loans.

The Financial Aid Office continues to encourage our students to utilize loans as a last resort in financing their education. Students are encouraged to borrow wisely so that debt will not be prohibitive in pursuing any ministry opportunity which may become available following graduation.

What are the deadlines to submit Direct Loan paperwork/applications?

The Financial Aid Office must receive the results from the FAFSA, with verification if necessary, your Loan Request Form, and confirmation of a valid eMPN, by April 1 for the Summer semester, May 31 for the Fall semester, and November 1 for the Spring semester. If you miss these deadlines, you may still apply for a Direct loan at any time throughout the year, however, you will need to make other arrangements for the payment deadline until the loan monies have arrived. To avoid delays that may occur if your FAFSA results require verification, students are strongly encouraged to allow FAFSA to retrieve IRS data.

What is the Electronic Master Promissory Note (eMPN)?

The MPN is a legally binding contract signed by the borrower when obtaining a loan. The MPN can be completed electronically for a Direct Loan, and, once completed, is valid for up to ten years. You will NOT complete a new eMPN every year. It is only required the first time you borrow in the Direct Loan Program.

How will the loan monies be disbursed?

Your total guaranteed loan amount, minus any fees, will be disbursed to the school in one or more disbursements depending on the loan period you select. Loans requested for one semester will arrive as one disbursement. Fall/Spring loans will be divided into two equal disbursements. Fall/Spring/Summer loans will be divided into three equal disbursements. If you have a credit balance on your student account, a refund will be available to you about two weeks after the money posts to your account. Your refund (referred to as excess) will be issued by the Business Office. Paper checks will be held for pick-up for Dallas students or mailed to online or extension students. Excess can also be deposited directly into bank accounts for those who register on CampusNet for an Electronic Funds Transfer (EFT).

When does repayment begin?

Loan repayment begins 6 months after you graduate, leave school, or drop below half-time status. The amount of each payment depends on the repayment plan in which you choose to participate.

What is Direct Loan entrance and exit counseling? (Also known as entrance and exit interviews)

Entrance and exit counseling is required by the Department of Education and provides you with important information regarding your Direct Loan. You must complete entrance counseling before you can receive your first loan disbursement and exit counseling before you can receive your diploma upon graduating. In addition, exit counseling must be completed if you take a leave of absence, drop below half-time status, or withdraw. Group entrance and exit counseling dates (for Main Dallas Campus students) will be announced for new incoming and graduating borrowers. A hold will be placed on your account until the counseling requirements have been met. Additional information regarding how to meet your entrance counseling requirements will be provided with your Direct Loan award letter.

To apply, use the following checklist:

1. **Complete a Free Application for Federal Student Aid (FAFSA):** You may apply on-line at <http://www.fafsa.ed.gov>. The school code for DTS is **G03562**. A Student Aid Report (SAR) is generated upon completion of the FAFSA. Be sure to make all the necessary corrections (as applicable, according to the comments section of your SAR). DTS will receive a copy of your SAR electronically if you have submitted our school code. Your loan cannot be processed until all specified corrections are made. The DTS Financial Aid Office strongly encourages applicants to select the option to allow the FAFSA to retrieve your IRS data. Doing so will save you time by eliminating the need for DTS to request additional tax forms from you at a later date if you are selected for verification.
2. **Submit a Loan Request Form:** The form is available online at www.dts.edu: Select Departments/Financial Aid/ Direct Loans. The form is also available in the DTS Financial Aid Office (2nd Floor Walvoord). The form must be returned to Financial Aid (mailing address: Dallas Theological Seminary/ Attn: Financial Aid/ 3909 Swiss Avenue/ Dallas, TX 75204).
3. **Complete an Electronic Master Promissory Note (eMPN):** The form is available online at (<https://studentloans.gov>) (the link is also included on the DTS website – see above). Once completed, an eMPN is valid for up to ten years. **Please note: Effective July 1, 2010 paper MPNs will no longer be accepted. If you have completed an MPN in the past to borrow from a lender, your MPN is not valid for a Direct Loan.**

When all required items have been submitted (complete, with no required corrections), your loan will be ready for DTS certification, the process of determining your eligibility for subsidized and/or unsubsidized

funds. You will be notified by letter when your Direct Loan has been certified. You will also be notified by letter when the funds arrive at DTS. For questions, contact the Financial Aid Office at 214-841-3601.