CRISWELL COLLEGE

Administrative Policy
Direct Loan Awarding

Approved By: President
Date Approved: September 30, 2026
Effective Date: September 30, 2026

1. **Summary:** This policy establishes responsibilities, criteria, and procedures for Federal Direct Loans awarded by Criswell College.

2. **Rationale:** This policy is necessary to ensure that Federal Direct Loans are awarded in compliance with all standards and requirements of the Department of Education.

3. **Entities Affected:** Students

4. **Definitions:** Definitions are included in the body of the policy.

5. **Policy:**

Direct Loan Policy Overview

Direct Loan Programs
Criswell College has a current **Program Participation Agreement (PPA)** with the Department of Education to participate in and make awards for the following Direct Loan Programs:

- Direct Subsidized Loan
- Direct Unsubsidized Loan
- Direct PLUS Loan for Parents of dependent students

Direct Loans are low interest loans guaranteed by the Department of Education. Students with financial need as determined by the **Free Application For Federal Student Aid (FAFSA)** are eligible to receive subsidized loans. All students are eligible for unsubsidized loans as long as they meet other federal eligibility requirements. PLUS loans are low interest loans that may be taken out by parents of undergraduate students. Criswell College does not automatically award PLUS loans as part of the student's financial aid package. PLUS loan applicants must initiate a separate application process through the Department of Education to determine loan eligibility.

Establishing Direct Loan Eligibility
To establish eligibility for direct loans, students must complete the FAFSA. Once the FAFSA is processed, the financial aid department receives the student's **Institutional Student Information Record (ISIR)**, which contains general eligibility information concerning Title IV funds, Federal Pell Grant eligibility, and **Student Aid Index (SAI).**

The financial aid department determines the student's Federal Pell Grant eligibility prior to awarding or originating a direct loan for a student. Each ISIR received by the college is reviewed for all eligibility requirements during the awarding process. The **National Student Loan Database (NSLDS)** is reviewed for aggregate and lifetime loan limits.

Direct Loan Awarding Policy

Federal aid is awarded and processed on a rolling basis throughout each academic year. Students must complete the FAFSA and Criswell College Supplemental Application to be considered for federal and institutional aid. Students are required to complete the FAFSA only if they do not wish to pursue institutional aid. Neither document is required if the student does not wish to pursue any type of financial aid. However, students are strongly encouraged to complete both applications. The purpose of the supplemental application is to obtain the student's enrollment pattern, housing intent, and whether the student is interested in obtaining student loans.

Direct Loan Borrower Eligibility Requirements

Students must be enrolled at least half-time to receive direct loans. All other federal eligibility requirements for Title IV aid eligibility apply to borrowers as well.

Direct PLUS loan borrowers (parent of undergraduate student) must undergo an additional credit check, which is not required of the Subsidized and Unsubsidized Program. The credit check for the PLUS loan programs is based on the lack of adverse credit history.

Students must complete the master promissory note and loan entrance counseling online at https://studentaid.gov/ in order for an accepted loan to disburse.

Confirmation Policy

Criswell College currently uses passive confirmation for all financial aid awards. Students are required to accept or decline student loans in their financial aid portal. Students have the ability to reduce loan amounts in their portal as well. Students can submit a direct loan adjustment form if they wish to make any changes to their loan amounts. Students can also initiate a change by responding in writing after receipt of a disbursement notification or post-withdrawal disbursement notification.

Changes to student awards that involve direct loans require action on the student's part. The financial aid department creates a new award letter each time an award update occurs to a student's aid package. Passive confirmation requires the student to accept or decline revisions to loan amounts in their student portal each time an award letter is revised that includes changes to loans. Students are not required to sign award letters as confirmation is completed in their portal.

Students are encouraged to reach out to the financial aid department if they have any questions concerning changes to their awards.

Loan Period Definition

Criswell College is a standard term school consisting of standard fall, spring, and summer semesters with a shorter winter term attached to the fall term. Criswell College defines the summer semester as a trailer to the academic year.

Criswell College's academic year consists of a 16-week fall term, a 16-week spring term and an 8-week summer term. Criswell College offers modular courses for online graduate programs only. The modules span the entire standard terms and are offered in (2) 8-week periods (2nd term begins at the semester midpoint) with the same starting dates and completion dates as the standard terms. Online graduate students must initiate attendance in both terms to maintain disbursement eligibility. Criswell College allows new students to enroll at the beginning of the fall or spring term only. Criswell students that are returning to the college are allowed to resume classes at any point during the academic year and are counseled individually regarding student loan eligibility.

Annual and Aggregate Award Amounts

Direct Loan award amounts are calculated based on the student's need, dependency status, and grade level. The grade level chart by classification is listed below:

Combined, Subsidized, and Unsubsidized Annual Loan Limits	
Dependent Freshman *(0-29 hours completed)* Loan totals of $5,500 not to exceed $3,500 Subsidized	**Independent Freshman** *(0-29 hours completed)* Loan totals of $9,500 not to exceed $3,500 Subsidized
Dependent Sophomore *(30-59 hours completed)* Loan totals of $6,500 not to exceed $4,500 Subsidized	**Independent Sophomore** *(30-59 hours completed)* Loan totals of $10,500 not to exceed $4,500 Subsidized
Dependent Junior/Senior *(60+ hours completed)* Loan totals of $7,500 not to exceed $5,500 Subsidized	**Independent Junior/Senior** *(60+ hours completed)* Loan totals of $12,500 not to exceed $5,500 Subsidized
Graduate Student Loan totals of $20,500 (Unsubsidized Only)	

Award amounts can also be impacted by aggregate loan limits as defined below:

Combined Subsidized and Unsubsidized Aggregate Loan Limits	
Dependent Undergraduate Student	
$31,000 Combined Loans (not to exceed $23,000 in Subsidized Loans)	Not to exceed 150% of published program length annual loan limit amounts in Subsidized Loans
Independent Undergraduate Student	
$57,500 Combined Loans (not to exceed $23,000 in Subsidized Loans)	Not to exceed 150% of published program length annual loan limit amounts in Subsidized Loans
Graduate Student	
$100,000 Combined Loans (Does not include any amounts borrowed at the undergraduate level)	Graduate Students are not eligible for Subsidized Loan Funds.

Calculating Direct Loan Eligibility by Classification

We do not award any professional degree loans. If any programs qualify for Professional degree designation, they will be awarded at the graduate loan level.

For students enrolled less than full time, a Schedule of Reductions (SOR) must be completed by the financial aid office to determine their direct loan eligibility.

$$\left(\frac{\text{Number of credit hours enrolled for academic year}}{\text{Number of credit hours considered full time for that academic year for the program of study}}\right) X\ 100$$

= reduced annal loan limit percentage

Loan limit formula for less than full-time enrollment: Period of enrollment

$$\left(\frac{\text{Number of credit hours enrolled for the term}}{\text{Number of credit hours considered full time for that term for the program of study}}\right) X\ 100$$

= reduced annal loan limit percentage

Undergraduate Students

Undergraduate students are eligible for subsidized, unsubsidized and PLUS loans as long as Title IV eligibility requirements are met. Subsidized loans are need-based and awarded after Pell Grant and institutional funds. The undergraduate student must demonstrate financial need determined by taking the student's cost of attendance and subtracting the student aid index (SAI) and any other estimated financial assistance.

Unsubsidized loans are not need-based as eligibility is not determined by SAI. Unsubsidized loans can replace the student's SAI and can be awarded up to the student's total annual loan eligibility if the student's **cost of attendance (COA)** and SAI determine the student is not eligible for subsidized funds. Unsubsidized funds are awarded after Pell Grant, institutional funds, and subsidized funds. Please see the two charts above to see the annual and aggregate loan amounts for undergraduate students depending on dependency status.

Parent PLUS loans are not need-based and can be used to cover the total cost of attendance minus any other estimated financial assistance. Biological parents, adoptive parents, and stepparents are eligible to apply for PLUS loans. Legal guardians, grandparents, and any other relatives are not eligible to borrow PLUS loans unless they have legally adopted the student.

Graduate Students

Graduate students are eligible for unsubsidized loans. Graduate students are also eligible for institutional funds which are awarded first.

Recalculations

Recalculation of a student's financial aid package is required under the following circumstances and results in an updated award letter.

- **Change in SAI**: If a student's SAI changes due to corrections, updating, or adjustment, and the SAI change results in a change in need, the subsidized award amount is reviewed and adjusted. Adjustment of subsidized loan funds requires an adjustment of unsubsidized loan funds as well.
- **Change in enrollment status within an award year**: When the student's enrollment status changes between semesters (usually from fall to spring semester), the award for the next semester is recalculated if the change is due to the student's enrollment or grade level changing.
- **Census date:** Criswell does not recalculate financial aid packages after the semester's predetermined census date. The census date occurs on the 10th class to verify attendance and eligibility for all award programs. Awards are adjusted according to the outcome of their verified attendance. The financial aid department reaches out to both the student and professor for each unverified course to resolve discrepancies between enrolled hours and attended hours. Unresolved variances can require financial aid adjustments and result in the creation of a new award letter.

Loan Proration Policy

Criswell College offers associate, bachelor, and graduate level degrees. Undergraduate students (associate and bachelor's degrees) who enroll in their final period of enrollment that is shorter than an academic year in length are subject to proration of their loan(s). Criswell College follows the federal proration formula shown below.

- Annual loan limit for student's grade level, multiplied by the result of the number of hours the student will enroll in divided by the number of credit hours in the academic year.

Origination, Certification, and Disbursement

Criswell College follows the same process for payment of Direct loans each term following the census requirement to establish eligibility for Direct Loans. Census is completed each term on the 10th class day. Each student's file is reviewed to ensure attendance is established for each course the student registered for. This allows the financial aid office to determine if any adjustments need to be made to loans due to changes in enrollment status identified during the add/drop period. Origination is initiated via PowerFAIDS following review of census data. A test file is created and identifies any potential errors related to missing origination data or any overlooked eligibility criteria. Once all identified errors are corrected, the file is created and submitted for transmission to COD through the EdConnect software.

Generally, the response file is received the same day within two hours. The response file is reviewed and imported to PowerFAIDS to identify any errors or rejects as well as all accepted loan originations. The error report is reviewed and corrected as necessary. The next step is to create the loan certification file. The certification file is transmitted through EdConnect as well and requests the funds to be released to the G5 system for Drawdown.

Once the certification response file is received, the financial aid director emails the Controller to notify the business office of the expected disbursement amount and date. The Controller requests the funds the day prior to the scheduled disbursement date. The expected disbursement amount is reconciled between the Financial Aid Department and the Business Office before the drawdown is initiated.

The Controller notifies the Financial Aid Director the morning the disbursement has been drawn from G5 and transferred to the operating account. The financial aid director creates a disbursement authorization file in PowerFAIDS and makes a copy of the file to place in the FA-import folder. The student account manager imports the disbursement file into the SONIS student information system where the payments are applied and notifies the financial aid director of the successful import to verify the payment amounts match the expected disbursement amounts.

Direct Loan Disbursement Notification

Students are notified of loan disbursements each time a disbursement is made to their student account. Disbursement notifications are provided to each student via email to identify the loan type, disbursement amount, and disbursement date. Notifications disclose the student's right to change or cancel loan disbursements as well. The notification gives the student 14 days from the receipt of the email to notify the financial aid department of intent to cancel or make changes to loan disbursements.

6. **Procedure:**
   a. **Implementation:** The Director of Financial Aid is responsible for maintaining and implementing procedures necessary for compliance with this policy.
   b. **Responsibility for Compliance:** Vice President of Student Affairs and Communications
   c. **Notification:** This policy will be posted on the College's website and will be published in its entirety or in summary in the *College's Catalog*.
   d. **Policy Review:** This policy will be regularly reviewed according to the College's policy review procedure.

For the Office of the President only:

Policy version: 1.0	Policy number: 2.067
Related policies:	
Related accreditation standards:	

Policy History

Version 1.0	September 30, 2026
Version 2.0	