

Section: Employee/Labor Relations

Section Number: 5.2.2

Subject: Financial Aid: Loans, Stafford/GSL

Date of Present Issue: 03/29/00

Date of Previous Issues:
07/71, 08/88

POLICY:

Stafford/Federal Direct Student Loan Process

PROCEDURE

<u>WHO</u>	<u>DOES WHAT</u>
Student	1. Files a Free Application for Federal Student Aid (FAFSA) either by mail or on the Internet (http://www.fafsa.ed.gov) and lists LSSU's school code (002293) so LSSU can receive a copy of the Student Aid Report (SAR).
Financial Aid Office	2. Reviews the Student Aid Report and requests any appropriate documentation to complete the student's file. 3. Reviews completed files for financial aid eligibility. 4. Sends eligible students an Offer of Financial Aid.
Student	5. Chooses to accept or decline loans and/or other financial aid and returns the Offer of Financial Aid to the Financial Aid Office.
Financial Aid Office	6. Enters the student's response into computer system. If a loan is accepted, Promissory Notes will be sent to the student to complete. 7. Verifies that first time borrowers are still enrolled for classes 30 days after the semester begins. 8. Checks attendance reports during the first eight days of classes. 9. Notifies first time borrowers of Direct Loan Entrance Interview requirement.
Student	10. Completes the Promissory notes in blue or black ink and returns the Servicer copy to the Financial Aid Office. 11. Completes Direct Loan Entrance Interview and turns in Entrance Interview form or completes and returns the quiz at http://www.ed.gov/DirectLoan . 12. Reports any outside aid received to the Financial Aid Office.
Financial Aid Office	13. Sends information to the Loan Origination Center (LOC). 14. The loan amount (less loan processing fee) will be posted on the student's account as a credit against their charges.
Student Service Center	15. Issues a check to balances that exceed the student's charges and/or posts the transaction against the student's account after disbursement.