



2026-2027 Direct Loan Application

At Terra State, we take responsible borrowing seriously. In those cases where borrowing is necessary, we want to make sure that our students are informed borrowers.

You will receive an Award Letter from Terra State Financial Aid Office that outlines your entire financial aid eligibility. That letter will indicate if you are eligible for a federally backed loan. If you are eligible, and after you have enrolled for at least 6 credit hours for the term in courses that are within your program, you will need to follow the instructions outlined below to apply for a loan.

Loan Processing and Disbursements:

Loans will be certified for the lesser of the amount requested or for the amount of your eligibility. All funds will be applied to your TSCC account. Any outstanding tuition/fees or housing costs will be deducted from your loan prior to any disbursement. You **MUST** be enrolled in at least 6 credit hours in order to receive your loan. If you drop/withdraw from classes before it has been disbursed and you are no longer enrolled in at least 6 credit hours, your loan will be returned to the Department of Education.

If you are a first-time borrower, Federal Regulations require that we not disburse your funds until at least 30 days after the start of the term.

All loans requested are applied to the student account to cover the Fall and Spring term, unless the student is enrolled in Summer courses. Then the loan will be applied to the account for Summer/Fall/Spring.

All loans are disbursed in two payments. A Fall/Spring loan will have one disbursement during each semester. A one semester loan will have two disbursements during the term.

Refunds are issued no later than two weeks after you see the funds appear on your student account. You can monitor this by reviewing your account in Banner Self-Service.

You have 14 days after the loan is applied to your account to reduce or cancel your loan. To do so, just contact the TSCC Financial Aid office.

Subsidized vs. Unsubsidized Loans:

The big difference between a subsidized loan and an unsubsidized loan is “who’s paying the interest?”.

The U.S. Department of Education pays the interest on a Direct Subsidized Loan:

- while you are in school at least half-time,
- for the first six months after you leave school (referred to as a grace period*), and
- during a period of deferment (a postponement of loan payments).

For an unsubsidized loan, you as the borrower are responsible for paying the interest during all periods of the loan.

Annual Loan Limits:

The U.S. Department of Education establishes annual loan limits. Please see below:

Borrower Status	Base (Subsidized Loan)	Unsubsidized Loan	Total Amount You Can Request
Dependent Freshman	\$3,500	\$2,000	\$5,500
Dependent Sophomore	\$4,500	\$2,000	\$6,500
Independent Freshman	\$3,500	\$6,000	\$9,500
Independent Sophomore	\$4,500	\$6,000	\$10,500

**Please see page 3 to see what your borrower status will be.

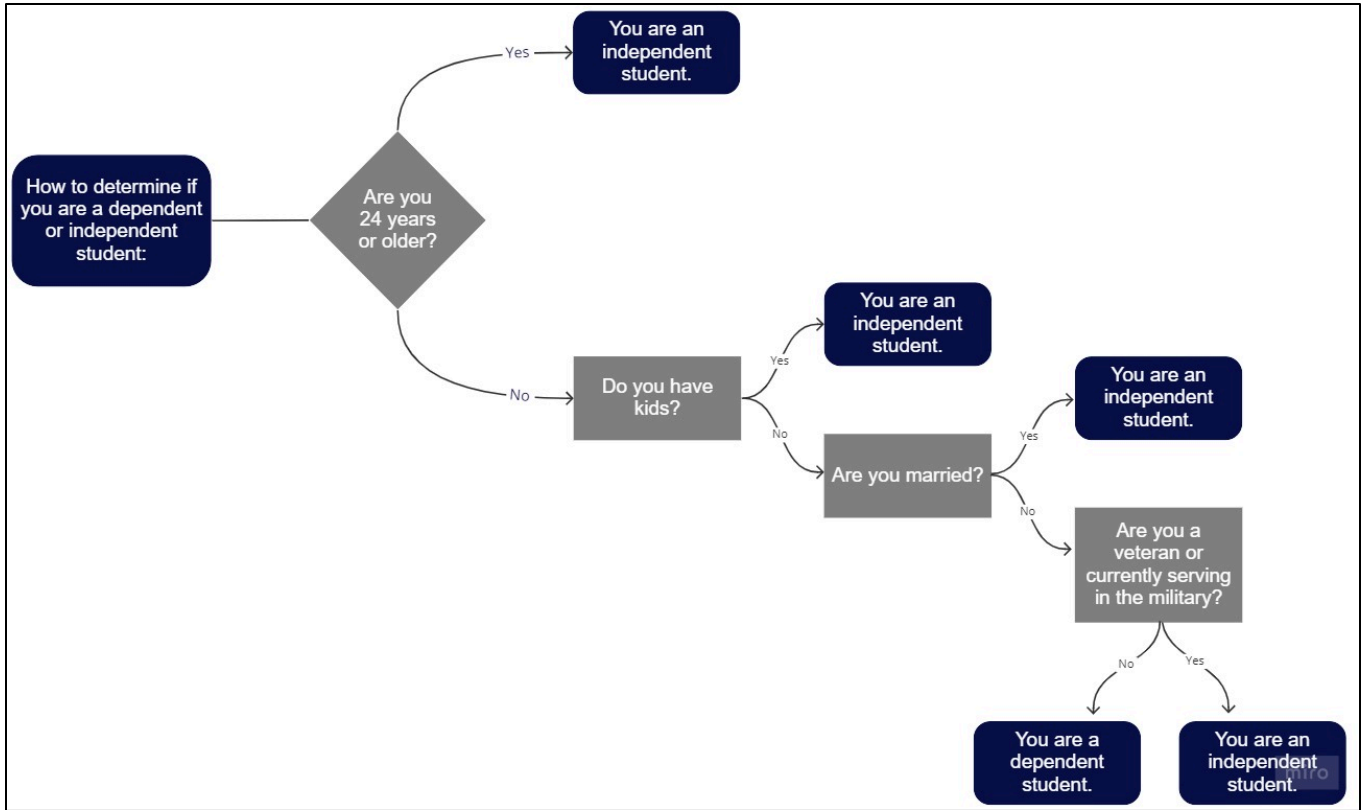
Loan Proration:

Due to new federal legislation (the “One Big Beautiful Bill”), your loan amount will be adjusted if you enroll in less than full-time (12 credit hours). This is called “proration,” and it means your loan could be reduced based on your enrollment level.

Your awards are based on an ESTIMATED enrollment of Full-Time (12 credit hours or more) but will be adjusted automatically if you are enrolled less than full-time. Final eligibility will be adjusted after your enrollment level is confirmed.

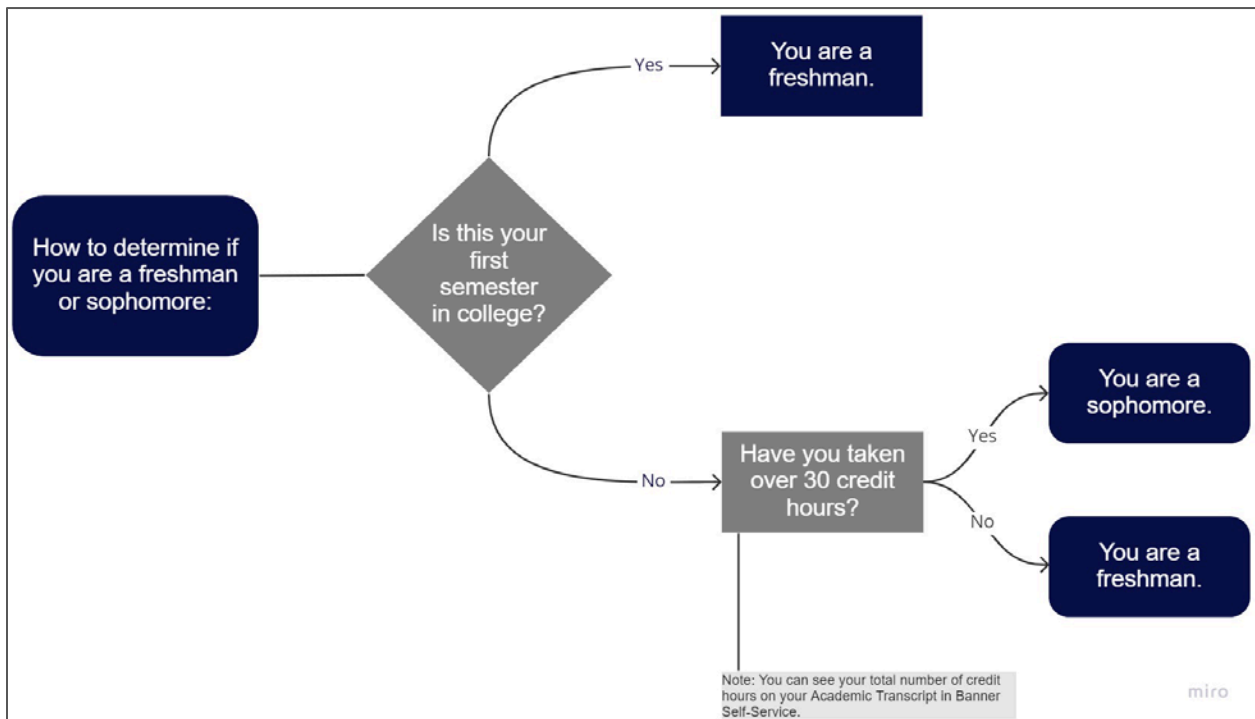
Please note: You must be enrolled at least half-time (a minimum of 6 credit hours per term) to be eligible for Federal Student Loans. If you are enrolled less than half-time (1–5 credit hours), you will not be eligible, and your loans will be canceled.

Dependent or Independent Student?



** This may be subject to change based on the status of your discharge.

Freshman or Sophomore?





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If you wish to receive a federal student financial aid loan, please complete and sign this form. You should then submit the form to the TSCC Office of Financial Aid at financialaid@terra.edu for processing.

Please ensure you have completed the following steps:

Student Name: _____ T# _____

Terra State Email: _____ Phone # _____

Loan Amount Requested: \$ _____ (See amount limits on page 2)

Anticipated Graduation (Term and Year): _____ (Example: Spring 2028)

Estimated Enrollment for Academic Year:

Summer 2026: _____ credit hours Spring 2027: _____ credit hours

Fall 2026: _____ credit hours

Due to new federal legislation (the "One Big Beautiful Bill"), your loan amount will be adjusted if you enroll in less than full-time (12 credit hours). This is called "proration", and it means your loan could be reduced based on your enrollment level.

Subsidized loans will be certified prior to any unsubsidized loan amount. We will certify an unsubsidized loan IF you are not eligible for a subsidized loan or your requested loan amount exceeds your subsidized loan eligibility.

Loan Check List:

- 1) Perform Entrance Counseling: All students who are borrowing for the first time since attending TSCC must complete Entrance Counseling. This can be accomplished by visiting studentaid.gov and logging in using the same information used in completing your FASFA.
- 2) Complete a Master Promissory Note (MPN): The MPN can be completed by visiting studentaid.gov. This document is like the documents you may have signed when obtaining a car loan or a mortgage. This document is your promise to abide by the rules surrounding the loan and your pledge to repay the loan under the outlined conditions.

By signing this document, I acknowledge that I am applying for a loan and I will be responsible for repaying this loan.

Borrower Signature: _____ Date: _____