

FINANCIAL AID

LOANS

Each student must complete pre-loan counseling before release of the first disbursement of the first Direct loan. After initiating an application in the Financial Aid Office, the actual loan transactions are made between the student borrower and a lending institution participating in the program. All loan amounts are determined by the cost of education, less other financial aid, less expected family contribution or the program limits. In addition, students must be enrolled in at least 6 semester hours to qualify.

William D. Ford Federal Direct Loan Program

William F. Ford Direct Loans are student loans that must be repaid and are available to both undergraduate and graduate students. Undergraduate loan limits may not exceed \$5,500 (no more than \$3,500 may be subsidized) for freshmen, \$6,500 (no more than \$4,500 may be subsidized) for sophomores and \$7,500 (no more than \$5,500 may be subsidized) for juniors and seniors. Graduate students loan limits are limited to \$20,500 (no more than \$8,500 may be subsidized).

A subsidized loan is awarded on the basis of financial need. If eligible for a subsidized loan, the government will pay (subsidized) the interest on the loan while the student is in school, for the first six months after leaving school, and if the student qualifies, payments may be deferred. For an unsubsidized loan, the student is responsible for the interest from the time the unsubsidized loan is disbursed until it is paid in full. The borrower is required to pay a combined lender fee and insurance premium on the principal amount of the loan.

Students begin repaying Direct loans six months after they drop below half-time enrollment.

FEDERAL DIRECT PLUS LOANS (PARENT LOANS)

Parent Loans are made by the Department of Education to parents to assist in meeting education costs. Parents, on behalf of their dependents, may borrow the annual loan limit of the cost of education, less other financial aid. Repayment is generally due within 60 days of the loan disbursement. The interest rate on a PLUS loan made on or after July 1, 2006 is fixed at 8.5%. Federal law requires a 3% origination fee and a 1% federal default fee. Fees charged to the PLUS borrower are deducted from the loan proceeds when the money is net to the student's school.

Short-Term Loans

Application for all short-term loans is made through the Student Financial Aid Office. Distribution and repayment of funds is made in the Business Office. Student ID must be presented upon application. Students will be allowed to have only one Tarleton Loan, and one Tuition and Fee Emergency Loan for the first installment only, plus one Stephen or Student Memorial or Score or Porter Leon or Potishman Loan per semester. Students will also be allowed only one Potishman or short-term Porter Leon Loan per semester. Loans will cease to be disbursed 30 days before all loans are due. All short-term loans are paid at the cashier's window in the Administration Building.

Tarleton Loans

These loans must be used for room and board only. There is a service charge. Loans not paid on time will be assessed a late fee. Loans are due approximately 90 days after signing the promissory note or the end of the semester, whichever is earlier.

Stephen, Student Memorial, Score, Porter-Leigon Loans

These loans must be used for books only. Students may borrow up to \$500. The loan will be available on the student's Texan Card to be used at the Tarleton Campus Bookstore located in the Thompson Student Center. A service charge will be assessed. Loans are due approximately 90 days after signing the promissory note or the end of the semester, whichever is earlier. Loans not paid on time will be assessed a late fee.

Potishman Loans

These loans may be made up to \$40 for a 30-day period with a \$5 service charge. Loans not paid on time will be assessed a late fee.

Tuition and Fee Emergency Loans

Conditions are as follows:

1. Tuition and Fee Emergency Loans are for the first installment of tuition and fees only. Loan applications must be submitted to the Financial Aid Office. These loans are applied automatically to the student's account.
2. Eligible students' applications will be processed on a first-come, first-served basis.
3. Maximum loan amount per student may not exceed the amount owed in tuition and required fees for the courses in which the student is actually enrolling.
4. A promissory note with an interest rate of 5 percent per annum will be executed by the student to be repaid over a period not to exceed ninety days for a loan made for a regular semester, or thirty days for a summer session.

Porter-Leigon Loan Fund

The V. O. Porter and Nell Porter Leigon Fund was established in 1986 by a gift from the Anthon M. Leigon Estate to Tarleton.

The Potishman Fund

This is a short-term loan program, which began in 1971 through a \$5,000 donation of Fort Worth businessman Leo Potishman.

The Score Loan Fund

This fund is used to make loans up to a maximum of \$100 to any business major.

The Stephen Memorial Loan Fund

This fund was established from the will of Na Homer Stephen in memory of M. L. Matt and Mattie Stephen.

The Student Memorial Loan Fund

This fund has been established from the will of Will C. Hogg of Houston. Other friends have contributed to it. The original endowment has been invested in securities and the income is being used for Tarleton student loans.

Tarleton Loan Fund

When the state of Texas took over Tarleton State College in 1917, among the many gifts provided by citizens of Stephenville was a cash gift of \$75,000 with which to commemorate the name of John Tarleton, the original benefactor who made the establishment of Tarleton State University possible in 1899. Citizens of Stephenville and Erath County remembered John Tarleton with great affection, and for that reason this money was raised by private subscription and turned over to the Board of Directors to be used as a student loan fund. The Board of Directors immediately invested the \$75,000 as an endowment, making available for loans the income from interest. The first student loans were made in 1920.