



2024-25 LOAN POLICY

DIRECT LOANS

Under the William D. Ford Federal Direct Loan Program, the U.S. Department of Education offers loans to help students and parents pay the cost of attendance at a postsecondary school. In addition to the [general Title IV eligibility criteria](#), to be eligible for Direct Loans, a student must be enrolled on at least a half-time basis. The definition of half-time basis varies depending on the student’s program of study at Ashland University.

PROGRAM	ENROLLMENT
All Undergraduate Programs	Half-Time = 6 credit hours Full-Time = 12 credit hours
Bachelor’s Plus & Pre-Dmin	Half-Time = 6 credit hours Full-Time = 12 credit hours
Bachelor’s Exempt	Full-Time = 12 credit hours Half-Time = 6 credit hours
Graduate/Seminary including Grad & Teacher Cert	Full-Time = 6 credit hours Half-Time = 3 credit hours
Doctorate of Education and Doctorate of Nurse Practitioner	Full-Time = 6 credit hours Half-Time = 3 credit hours
ATS Doctor of Ministry	Full-Time = 4 credit hours Half-Time = 2 credit hours

DIRECT SUBSIDIZED LOANS AND DIRECT UNSUBSIDIZED LOANS

Direct Subsidized and Direct Unsubsidized Loans are two components of a single loan program. Only students who have financial need may receive Direct Subsidized Loans. The federal government does not charge interest on Direct Subsidized Loans while the borrower is enrolled at least half-time, during the grace and deferment periods, and during certain other periods. Financial need (Cost of Attendance – Student Aid Index – Other Financial Aid) is not an eligibility requirement to receive a Direct Unsubsidized Loan. The federal government generally charges interest on Direct Unsubsidized Loans during all periods, with limited exceptions.

Note: If a student has received a determination of need for a Direct Subsidized Loan in an amount of \$200 or less, AU may choose not to originate a Direct Subsidized Loan and may instead include that amount as part of a Direct Unsubsidized Loan.

STUDENTS WHOSE PARENTS HAVE ENDED FINANCIAL SUPPORT OR REFUSE TO FILE A FAFSA FORM

If it is verified that the parents of a dependent undergraduate student have refused to complete the parental information sections of the Free Application for Federal Student Aid (FAFSA) form or that they have ended financial support for the student, AU may make a professional judgment decision to offer the student a Direct Unsubsidized Loan in an amount up to the applicable annual loan limit for a dependent undergraduate. However, the student may not receive Direct Subsidized Loans or aid from any other Title IV programs.

For AU to make such a determination, the student must complete the [Change in Circumstances for a Dependent Student](#) Etrieve form and follow the necessary directions. Self-certification from the dependent student is not sufficient to verify that the parents have ended financial support or have refused to complete the FAFSA form. In most cases, this requirement can be met by obtaining a signed and dated statement from one of the student's parents. If the parents refuse to provide the required documentation, AU may accept documentation describing the student's relationship with his or her parents from a third party.

DIRECT PLUS LOANS

Direct PLUS Loans are available to graduate and professional students, and to the parents of dependent undergraduate students.

A parent may receive a Direct PLUS Loan only to pay for the education costs of a dependent undergraduate student who meets the eligible student definition. Assuming that the prospective borrower meets all other Direct PLUS Loan eligibility requirements, the following individuals can borrow Direct PLUS Loans on behalf of a dependent undergraduate student:

- The student's biological parent;
- The student's legal adoptive parent; or
- The student's stepparent (spouse of the student's biological or legal adoptive parent), but only if the stepparent is considered to be a parent in accordance with the instructions on the FAFSA form for purposes of reporting their income and assets on the FAFSA form.

In addition to the parent(s) whose resources are required on a student's FAFSA form, any otherwise eligible biological or legal adoptive parent of the dependent undergraduate student can also take out a Direct PLUS Loan on the student's behalf, even if that parent's information is not reported on the FAFSA form. More than one parent can take out a Direct PLUS Loan on behalf of the same dependent undergraduate student.

In all cases, the dependent student on whose behalf a parent has applied for a Direct PLUS Loan must have filed a FAFSA form and received an Institutional Student Information Record (ISIR) or FAFSA Submission Summary (FSS).

ADVERSE CREDIT HISTORY

An individual with an adverse credit history is prohibited from obtaining a Direct PLUS Loan unless they meet additional eligibility requirements. An applicant cannot be denied a Direct PLUS Loan because they have no credit history because the absence of a credit history is not considered to be adverse credit.

A Direct PLUS Loan applicant with an adverse credit history can qualify for a Direct PLUS Loan by obtaining an endorser who doesn't have an adverse credit history. An endorser is someone who agrees to repay the Direct PLUS Loan if the borrower doesn't repay it. For a parent borrower, the endorser cannot be the dependent student for whom the parent is borrowing.

As an alternative to obtaining an endorser, an applicant who has been determined to have an adverse credit history may also qualify for a Direct PLUS loan by submitting documentation to the Department of Education showing that there are extenuating circumstances associated with the adverse credit. The Department of Education has the final decision on determining whether extenuating circumstances exist.

Any Direct PLUS Loan applicant who has an adverse credit history but who qualifies by obtaining an endorser or documenting that there are extenuating circumstances must also complete PLUS Credit Counseling on the Department of Education's StudentAid.gov website.

If a student's parent cannot obtain a Direct PLUS Loan, the student is allowed to borrow additional unsubsidized funds.

ADVERSE CREDIT HISTORY AND DEFAULT

Although a default on a Title IV loan will generally appear in a student or parent Direct PLUS Loan applicant's credit record and result in the individual being determined to have an adverse credit history, being in default on a Title IV loan and having an adverse credit history are separate eligibility issues. A Direct PLUS Loan applicant who is identified through the National Student Loan Data System (NSLDS) as being in default on a Title IV loan and who has also been determined to have an adverse credit history (due to the default and/or other adverse credit conditions) cannot qualify for a Direct PLUS Loan simply by obtaining an endorser or by providing acceptable documentation of extenuating circumstances. The applicant must also separately resolve the default status.

DIRECT LOAN ELIGIBILITY AFTER INADVERTENT OVERBORROWING

A student who has inadvertently received Direct Loan funds in excess of the annual or aggregate loan limits is ineligible to receive any Title IV funds until the overborrowing is resolved. The student can regain eligibility for aid by repaying the amount that exceeded the annual or aggregate loan limits, or by making satisfactory arrangements with the loan servicer to repay the excess amount.

If a student who has inadvertently overborrowed wishes to regain Title IV eligibility by repaying the excess loan amount, the student must contact the applicable servicer and comply with the servicer's repayment instructions. The school may assist the student in identifying and contacting the servicer, but the student, not the school, must make the payment of the excess loan funds in accordance with the servicer's instructions. Once the student has repaid the excess loan amount in full, the servicer will send the student confirmation that the excess loan amount has been repaid. The student or servicer must provide a copy of the repayment confirmation to the school. The inadvertent overborrowing is considered to have been resolved as of the date the servicer received the borrower's full payment of the excess loan amount.

Reaffirmation process. Getting the form from StudentAid.gov. Resource file under federal, loans, reaffirmation.

REFUSING TO ORIGINATE A LOAN OR ORIGINATING FOR LESS THAN MAXIMUM ELIGIBILITY

On a case-by-case basis, AU may refuse to originate a Direct Loan for an individual borrower, or AU may originate a loan for an amount less than the borrower's maximum eligibility. If AU chooses to exercise this discretion, the institution's decisions will be made on a case-by-case basis and will not constitute a pattern or practice that denies access to Direct Loans for borrowers because of race, sex, color, income, religion, national origin, age, or disability status. Additionally, federal regulations prohibit universities from originating Direct Loans only in the amount needed to cover institutional charges as well as the practice of limiting Direct Unsubsidized Loan borrowing by independent students.

When AU decides not to originate a loan or to reduce the amount of the loan, the institution retains documentation supporting the determination in the student's file and provides the reason for the determination to the student in writing.

DIRECT PLUS LOAN APPLICATION

Ashland University requires Direct PLUS Loan applicants (parent and graduate/professional) to complete the Direct PLUS Loan Application on the StudentAid.gov website as the first step in applying for a Direct PLUS Loan. The Direct PLUS Loan Application collects the requested loan amount, the period of enrollment for which the loan is intended, and other information related to processing the requested Direct PLUS Loan. The Department conducts an NSLDS default check on all Direct PLUS Loan applicants (both students and parents) and notifies Ashland University of the results via the Common Origination and Disbursement (COD) System.

DIRECT LOAN COUNSELING

First-time student borrowers must complete entrance counseling before they can receive the first disbursement of a Direct Loan, and all student Direct Loan borrowers must complete exit counseling shortly before they cease to be enrolled on at least a half-time basis. For both counseling requirements, Ashland University utilizes the Direct Loan Program [online entrance and exit counseling](#) offered by the Department of Education via StudentAid.gov.

In addition, there is a special counseling requirement for student and parent Direct PLUS Loan borrowers who meet the requirements to receive a Direct PLUS Loan after having been determined to have an adverse credit history. This special counseling is separate from the entrance counseling that all first-time graduate and professional student Direct PLUS Loan borrowers must complete.

In compliance with federal regulation, AU has Financial Aid Administrators reasonably available to answer student questions regarding counseling criteria.

DIRECT LOAN ORIGATION

Origination is the process of creating a Direct Loan award in the school's system. Loan origination of a Direct Loan can only occur while the student is enrolled and eligible for the period of enrollment for which the loan is intended. Institutions may not originate a loan for a period in which the student is no longer enrolled.

While origination fees are federally required, AU complies with federal requirements to not assess a fee for the completion of any Federal Direct Student Loan Program forms or information, or for the origination of a Direct Loan.

SEQUESTRATION

The Budget Control Act (BCA) put into place an automatic federal budget cut known as the sequester. For loans made under the Direct Loan program, the sequester requires an adjustment in the amount of the loan fee (also known as the origination fee) that is charged to borrowers. For details on the sequester-required changes to Direct Loan origination fees, see the [May 15, 2023 Electronic Announcement](#).

AFFIRMATIVE CONFIRMATION

Affirmative confirmation is a process under which an institution obtains written confirmation of the types and amounts of Title IV, HEA program loans that a student wants for the period of enrollment before the institution credits the student's account with those loan funds. Under affirmative confirmation, AU requires students to use Self-Service to either 1) accept all, 2) accept a portion, or 3) decline their loans. Should a student or parent wish to modify the loan amount that has already been confirmed, they must submit an email to their financial aid counselor requesting the adjustments.

To prevent any Title IV overawards, AU may be required to adjust a student's loan(s) after the student has already provided an affirmative confirmation. In certain cases, a student may need to provide an additional affirmative confirmation in addition to the initial confirmation.

Note: The affirmative confirmation feature via Self-Service is not available for Parent PLUS Loans or Private Loans.

ANNUAL LOAN LIMITS

Direct Subsidized Loans and Direct Unsubsidized Loans have annual loan limits that vary based on the student's grade level and (for Direct Unsubsidized Loans) dependency status. The annual loan limits are the maximum amounts that a student may receive for an academic year. The actual loan amount that a student is eligible to receive may be less than the annual loan limit.

Depending on the academic calendar of the program, a student who has reached the annual loan limit cannot receive another Direct Subsidized Loan or Direct Unsubsidized Loan until they either begin another academic year, or, in some cases, progress within an academic year to a grade level with a higher annual loan limit.

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	\$5,500 – No more than \$3,500 of this amount may be in subsidized loans.	\$9,500 – No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	\$6,500 – No more than \$4,500 of this amount may be in subsidized loans.	\$10,500 – No more than \$4,500 of this amount may be in subsidized loans.
Third Year and Beyond Undergraduate Annual Loan Limit	\$7,500 – No more than \$5,500 of this amount may be in subsidized loans.	\$12,500 – No more than \$5,500 of this amount may be in subsidized loans.
Graduate or Professional Student Annual Loan Limit	Not Applicable (all graduate and professional degree students are considered independent).	\$20,500 (unsubsidized only).

ANNUAL LOAN LIMIT FOR GRADUATE AND PROFESSIONAL STUDENTS

A student in an undergraduate program is not eligible for the graduate loan limit based on taking graduate coursework as a part of the undergraduate program. In contrast, a graduate student taking some undergraduate coursework is eligible for the graduate loan limit if the student is enrolled at least half time in courses (graduate or undergraduate) that can be applied to the graduate program. However, the student must already be admitted into the graduate program.

A student with a bachelor’s degree who is taking preparatory work for graduate school (or whose full admission to the graduate program is contingent upon completion of certain undergraduate courses) is not eligible for graduate loan limits.

ANNUAL LOAN LIMITS FOR DIRECT PLUS LOANS

There are no fixed annual loan limits for Direct PLUS Loans. A graduate or professional student may be awarded a Direct PLUS Loan for up to the student’s COA minus other OFA. Therefore, a graduate/professional student who has received the maximum Direct Unsubsidized Loan amount for an academic year may have additional Direct PLUS Loan eligibility. Similarly, the total Direct PLUS Loan amount borrowed by a parent on behalf of a dependent student may not exceed the student’s estimated COA minus OFA the student receives for the period of enrollment. This is the only borrowing limit for Direct PLUS Loans.

PRE-DOCTORATE OF MINISTRY AND BACHELOR’S PLUS PROGRAMS

The annual loan limits for students enrolled in Pre-Doctorate of Ministry (preparatory coursework) or Bachelor’s Plus (teacher certification coursework) differ from the standard “regular” student. Note that for dependent undergraduates, the annual loan limits do not provide an additional unsubsidized loan amount beyond the maximum annual subsidized amount, as is the case with the loan limits for

independent undergraduates and dependent undergraduates whose parents cannot get Direct PLUS Loans.

Note: Pre-Doctorate of Ministry students are eligible to receive loans for a maximum of one consecutive 12-month period (not per program) beginning on the first day of the loan period. If the consecutive 12-month period of preparatory coursework spans more than one academic year, the student may receive more than one annual loan limit.

Annual loan limits for Pre-Dmin and Bachelor's Plus programs:

	Total (subsidized and unsubsidized)	Maximum subsidized
Dependent undergraduates (excluding dependent students whose parents can't get Direct PLUS Loans)	\$ 5,500	\$ 5,500
Independent undergraduates (and dependent undergraduates whose parents can't get Direct PLUS Loans)	\$12,500	\$ 5,500

STUDENTS RETURNING FOR A SECOND BACCALAUREATE DEGREE

If a student with a baccalaureate degree enrolls in another baccalaureate program, the student's grade level for loan limit purposes would be based on the amount of work that the school counts toward satisfying the requirements of the new program. For Satisfactory Academic Progress (SAP) purposes, it is important to note that students returning under this circumstance may exceed their maximum timeframe and may be required to submit a SAP appeal.

STUDENTS WHO TRANSFER FROM A GRADUATE TO UNDERGRADUATE PROGRAM DURING AN ACADEMIC YEAR

If a student transfers from a graduate program to an undergraduate program in the middle of an academic year, the undergraduate annual loan limit for the student's grade level applies, but amounts previously borrowed at the graduate level within the same academic year do not count against the undergraduate annual loan limit. However, the total amount awarded for the academic year may not exceed the higher (graduate or professional) annual loan limit.

STUDENTS WHO TRANSFER FROM AN UNDERGRADUATE TO GRADUATE PROGRAM DURING AN ACADEMIC YEAR

If a student transfers from a graduate program to an undergraduate program in the middle of an academic year, the student may borrow up to \$20,500 in Direct Unsubsidized Loan funds, minus any amount of subsidized and unsubsidized loan funds borrowed for the first payment period within the same academic year.

ANNUAL LOAN LIMIT INCREASE BASED ON GRADE LEVEL PROGRESSION OR DEPENDENCY STATUS CHANGE

The annual loan limit for Direct Subsidized and Unsubsidized Loans increases as a student progresses in grade level. Generally, a student's grade level for loan limit purposes is set according to the school's

academic standards. Relative to grade-level progression, AU utilizes a standard of 30 hours of completed coursework for each grade level. Grade level corresponds to the number of accumulated credits a student has earned: 0-29 credits = Grade 1, 30-59 credits = Grade 2, 60-89 = Grade 3, 90-120 = Grade 4.

ANNUAL LOAN LIMITS FOR STUDENTS WHO TRANSFER OR CHANGE PROGRAMS

If a student who received a Direct Loan transfers from one school to another school or changes to a different program at the same school and there is an overlap between the academic year associated with the loan received for the first school or program and the academic year for the new school or program, this overlap may affect the amount that the student is initially eligible to borrow at the new school or for the new program.

An overlap in academic years exists if the academic year at the new school (or the academic year for the new program at the same school) begins before the calendar end date of the academic year at the prior school or program.

AGGREGATE LOAN LIMIT OVERVIEW

Aggregate loan limits are limits on a student’s maximum outstanding total Direct Subsidized Loan and Direct Unsubsidized Loan debt. A borrower who has reached the aggregate borrowing limit for Direct Subsidized Loans and Direct Unsubsidized Loans may not receive additional loans. Once the loans are repaid, in full or in part, the borrower may apply for additional loans.

AGGREGATE LOAN LIMITS FOR DIRECT SUBSIDIZED LOANS AND DIRECT UNSUBSIDIZED LOANS

	Total (subsidized and unsubsidized)	Maximum subsidized
Dependent undergraduates (excluding those whose parents can’t get Direct PLUS Loans)	\$31,000	\$23,000
Independent undergraduates (and dependent undergraduates whose parents can’t get Direct PLUS Loans)	\$57,500	\$23,000
Graduate and professional students	\$138,500	\$65,000

AGGREGATE LOAN LIMIT FOR UNDERGRADUATE STUDENT WITH GRADUATE DEGREE

In some cases, a student who previously received undergraduate and graduate degrees returns to school to complete a second undergraduate program. Only the loans that the student received for the first undergraduate program are included in determining the student’s remaining eligibility for loans for the second undergraduate program, up to the undergraduate aggregate limits. Although loans received for graduate study are not counted toward a student’s undergraduate aggregate loan limit, the combined loan amounts received for undergraduate and graduate programs may not exceed the total allowable aggregate loan limits.

TREATMENT OF DIRECT SUBSIDIZED LOANS AND DIRECT UNSUBSIDIZED LOANS RECEIVED FOR TEACHER CERTIFICATION COURSEWORK OR PREPARATORY COURSEWORK

Students receiving Direct Loans for teacher certification coursework or for preparatory coursework (including preparatory coursework required for admission to a graduate or professional program) are considered to be undergraduates for all Title IV purposes. Therefore, Direct Subsidized Loans and Direct Unsubsidized Loans that a student receives for teacher certification coursework or preparatory coursework are counted against the student's undergraduate aggregate loan limits.

EFFECT OF CHANGE IN STUDENT STATUS ON AGGREGATE LOAN LIMITS

In some cases, a student may qualify for higher loan limits, but then lose eligibility for the higher limits due to a change in status. One such situation is when a dependent undergraduate qualifies for additional Direct Unsubsidized Loan amounts because the student's parent is unable to obtain a Direct PLUS Loan, but in a subsequent academic year the student's parent is able to qualify for a Direct PLUS Loan. The dependent student then loses eligibility to receive additional Direct Unsubsidized Loans at the higher independent undergraduate annual and aggregate loan limits, and is once again subject to the dependent undergraduate annual and aggregate loan limits. However, the additional unsubsidized loan amounts that the student previously received as a result of the parent's inability to obtain a Direct PLUS Loan are not counted against the dependent undergraduate aggregate loan limit.

A similar situation occurs when a student who received loans for a graduate or professional degree program later returns to school and enrolls in an undergraduate program. In this case, loan amounts that the student received as a graduate or professional student are not counted against the undergraduate aggregate loan limit.

LOAN LIMIT PRORATION

The annual maximum loan amount an undergraduate student may receive must be prorated (reduced) when the borrower is:

- Enrolled in a program that is shorter than a full academic year; or
- Enrolled in a program that is one academic year or more in length, but is in a remaining period of study (a period of study at the end of which a student will have completed all requirements of the program) that is shorter than a full academic year.

The annual loan limit for Direct Unsubsidized Loans is not prorated for students enrolled in graduate or professional level programs. Loan proration requirements also do not apply to students taking preparatory coursework or coursework necessary for teacher certification.

SCHEDULED ACADEMIC YEAR (SAY)

For loan purposes, correctional education re-entry students are the only student population that AU utilizes an SAY. An SAY corresponds to a traditional academic year calendar, and usually begins and ends at the same time each calendar year (for example, beginning on the first day of the fall semester and ending on the last day of the spring semester). An SAY may include one or more terms that a student

does not attend. Summer terms are generally not considered to be part of the SAY, but for loan limit purposes they may be treated as a “header” to the following SAY.

BORROWER-BASED ACADEMIC YEAR (BBAY)

AU utilizes a BBAY 2 for all other students. A BBAY does not have fixed beginning and ending dates. Instead, it “floats” with a student’s (or a group of students’) attendance and progression in a program of study. A BBAY 2 consists of any two consecutive terms. BBAY 2 may include terms that a student does not attend (as long as the student could have enrolled at least half-time in those terms), but it must begin with a term in which the student is actually enrolled (even though the student may be enrolled less than full time for the first term and not eligible for a loan for that term). The annual loan limit applies to the BBAY 2. Once the calendar period associated with all of the terms in the BBAY 2 has elapsed, a student regains eligibility for a new annual loan limit.