Student Loan Information

William D. Ford Federal Direct Loan Program

On July 1, 1994, the federal government began operation of a new loan program called the William D. Ford Federal Direct Loan Program. This program includes the Direct Subsidized, Direct Unsubsidized, and Direct PLUS loans. The federal government does not charge interest on a Subsidized loan while the borrower is enrolled in school at least half-time, during a six-month grace period, or during authorized periods of deferment. However, interest is charged throughout the life of an unsubsidized loan, and it starts to accrue on the date of disbursement.

Direct Loan funds are provided by the federal government to Sinclair. Sinclair disburses the loan proceeds to a student by adding them to a student's account. When a student registers for courses and buys books and supplies from the Sinclair bookstore, Sinclair charges their account and disburses loan proceeds for tuition, books and educationally related fees as they occur. Sinclair verifies that students have begun attending their courses as required by the federal regulations. After attendance is verified, Sinclair mails a refund check to students for any federal financial aid that is in excess of the students' fees.

Federal law requires that all Direct Loans be disbursed in at least two installments. Students receiving a loan for the entire academic year will be set up to receive a check with excess loan funds, if any, in each term. Students receiving a loan for just one term will still receive their loans in two disbursements. The second disbursement will not be made before half of the term is over. In addition, Sinclair does not disburse Direct Loan funds to new borrowers until after 30 days have elapsed from the beginning of the term.

Refund checks will be mailed to the student's address as maintained in the Registration and Student Record's office. An incorrect address will greatly increase the amount of time it takes a student to receive a loan check. Address changes should be made immediately to help insure that refund checks are made using the correct address.