



# OFFICE OF FINANCIAL AID

## Ferrum College Financial Aid Office Student and Parent Loan Code of Conduct (Title IV and Private Loans)

Effective Date: May 16, 2007

Updated October 12, 2022

This policy addresses the relationship between the Ferrum College Financial Aid Office and the lenders/servicers utilized by Ferrum College borrowers in the Federal Title IV Loan Programs and/or any Alternative (Private) Loan program.

We are committed to assisting students with identifying and obtaining resources for higher education, to disbursing funds in a timely manner, and to educating borrowers so an informed decision can be made.

All employees who have direct responsibilities with any loan product will be notified of this policy on an annual basis.

### Maximum Amount of Federal Aid Available

Ferrum College offers a comprehensive financial aid award comprised of scholarship, grant, work, and loan programs. The maximum amount of federal grant aid available depends on the results of the Free Application for Federal Student Aid (FAFSA). For the 2022-2023 academic year, the estimated maximum amount of federal grant aid awarded to students was approximately \$7,595. The estimated average amount of federal grant aid awarded to students was approximately \$5,790.

### Federal Loan Programs

We encourage students to utilize all federal loan options (Direct Stafford or Direct PLUS Loan) first before moving to an alternative source of educational funding, such as alternative/private loans. Below you will find **the maximum borrowing limits** for Federal Direct Stafford Loan borrowers for the **2022-2023 academic year**. Note: Students whose parents are **not approved** for the PLUS Loan or **who are independent** based on the results of the Free Application for Federal Student Aid (FAFSA) can only apply for the additional Unsubsidized Stafford Loan funds.

Freshmen	Stafford Loan (Subsidized and Unsubsidized)	\$5500
(0-23 credits earned)	Additional Unsubsidized Loan (PLUS Denial/Independents)	\$4000

Sophomore	Stafford Loan (Subsidized and Unsubsidized)	\$6500
(24-55 credits earned)	Additional Unsubsidized Loan (PLUS Denial/Independents)	\$4000

Junior Stafford Loan (Subsidized and Unsubsidized) \$7500  
(56-87 credits earned) Additional Unsubsidized Loan (PLUS Denial/Independents) \$5000

Senior Stafford Loan (Subsidized and Unsubsidized) \$7500  
(88+ credits earned) Additional Unsubsidized Loan (PLUS Denial/Independents) \$5000

### **Alternative Loans**

While alternative loans are a good resource for educational financing, Ferrum College advises students and parents to use these as a last resort and to use all federal loan eligibility first. Alternative loans vary in respect to interest rates (based on credit of student and cosigner and may be higher than the federal Stafford Loan and PLUS Loan programs), borrower benefits, and repayment terms.

### **Gift Policy**

The Ferrum College Financial Aid Office does not enter into contracts with loan providers promising them a specific amount of loan volume in return for any benefits such as revenue sharing or stock options. All prohibitions outlined extend to lenders, guarantors, loan servicers or any person having direct responsibility for a loan product that could be utilized by a student.

Ferrum College prohibits the following:

- \*Revenue sharing arrangements
- \*Accepting/soliciting gifts
- \*Requesting accepting private loan funds in exchange for concessions within Title IV Loans
- \*Requesting or accepting staffing assistance from loan partners
- \*Advisory Board compensation
- \*Offers of Funds for Private Loans
- \*Consulting or contracting arrangements by an employee in the Financial Aid Office who has responsibility for loans
- \*Receiving any gifts greater than a de minimum amount (affects all agents, offices, and employees responsible for loans)
- \*Using name, logo, mascot of school to promote/market loans
- \*Prohibits assigning a lender for a first time borrower
- \*Prohibits refusal to certify or delay certification based upon choice of lender.

All borrowers are advised to apply for federal loans through the Direct Loan programs. For all Stafford and PLUS Loans in this program, the lender is the Department of Education.

### **Ferrum College Alternative Loan Lender Selection Process**

In February 23, 2022 Ferrum College issued a Request for Information (RFI) to lenders and to which 9 lenders submitted a proposal. Proposals were reviewed by the Director of

Financial Aid. For the 2022-2023 academic year, all alternative/private loan lenders were chosen to be on the lender list so that students would be able to have a choice of different loan products, and all loan products were deemed to be fairly equitable in benefits/rates etc.

We asked each lender to describe their loan (interest rates/benefits/repayment incentives). We also looked at other data such as customer service, the company's mission, and the selling of loans to other entities for informational purposes only. We saw no concerns regarding the answers to these questions from any lender so we did not use them as a direct evaluation point.

The lender list is reviewed each year and if necessary additional information is requested to ensure the quality of benefits and customer service. The Financial Aid Office advises all students and parents to exhaust all Federal loan options before seeking alternative loans.

Ferrum College's Lender List is available online at <https://choice.fastproducts.org/FastChoice/home/371100>. Students will be required to complete a simple entrance counseling session prior to obtaining information about lenders and loan options available.

### **Disclaimer**

**Ferrum College does not assume any liability for the information provided to us by lenders partners nor any change in lender benefits at any time. Ferrum College is releasing this information to consumers in good faith.**