Federal Direct Loans: *Information Guide*

Introduction

College of the Desert (COD) offers eligible students Federal Direct Loans. This guide is designed to assist you in understanding the Federal Direct Loan program, as well as the steps required to complete the loan request process. For full details regarding COD loan eligibility, please review the Financial Aid Handbook.

The Federal Loan Program offers student Subsidized and/or Unsubsidized loans as an additional source of financial aid designed to assist students with educational expense(s) during the Academic Year. This type of federal aid is "borrowed money" and **MUST BE REPAID** with interest to the Department of Education (DOE), it is **NOT FREE AID.** College of the Desert highly encourages students to ensure they are first exhausting all other resources (grants, student employment, scholarships, etc.) before requesting a student loan.

Steps to Apply

To apply for a Federal Direct Loan at College of the Desert (COD), you **MUST** complete ALL the following requirements:

- ❑ Complete the 2025-2026 FAFSA and add the COD school code, ***001182.***

- ❑ Complete ALL 2025-2026 missing documents by the required deadline with COD.
  - o You can see any missing documents by visiting the Financial Aid Self-Service Portal.

- ❑ Declare an Associate Degree program at COD and complete a Student Educational Plan *(SEP)* with this program information. COD students can make a SEP by making an appointment with the Counseling Office.

- ❑ Be enrolled in at least 6 units *(half-time)* that are applicable and required towards your degree. *(Late start courses do not count unless the course has already started.)*

- ❑ Be meeting the COD Satisfactory Academic Progress (SAP) policy. Our SAP policy and standards may be viewed by visiting our Financial Aid Office's SAP webpage.

- ❑ Complete the Master Promissory Note (MPN) online at www.studentaid.gov *(First-time Borrower ONLY)*

- ❑ Complete the Loan Entrance Counseling (EC) online at www.studentaid.gov *(First-time Borrower ONLY)*

MEET AND COMPLETE ALL REQUIREMENTS

***Failure** to meet **ALL** the following requirements will delay any loan processes and disbursement if determined eligible. In addition, students **cannot be on default or overpayment** for any federal assistance program

Next step: After submission

Please allow **_2-4 weeks_** *from the submission date* for your form to be processed on your self-service portal. Once you submit a loan request form, you agree to the terms and conditions of the Federal Loan Program.

- If *incomplete or DENIED*, your form will be rejected on the Missing Documents Tasks, and a message will indicate why your form was rejected with an option to resubmit the form if you meet the requirements.

- If *completed and APPROVED*, you will receive a "revised" award notification from the FAO via your *MyCOD.us* email address.

  o *Approved loans will be originated with the Department of Education, and your loan will be linked with your MPN and Entrance Counseling. Once your loan is originated, you will receive a loan disclosure statement with your loan terms and responsibilities.*

IMPORTANT – *You have **14 days to CANCEL** your Federal Direct Loans* after you have been approved and received a revised award notification. If you decide to cancel, please email FAO@collegeofthedesert.edu with the subject line *"Cancel my Federal Loans"* and COD student ID.

Disbursement – Dates & Information

All Federal Direct Loans awarded through at College of the Desert will be disbursed via [BankMobile](#).

Each student eligible for disbursement will receive an email to their *myCOD.us* email from BankMobile containing a personal code and step-by-step instructions on how to sign up/select ONE of the following disbursement methods:

1. *Direct Deposit (ACH)* – Students will be setting up direct deposit using their bank account.
2. *BankMobile Vibe Account* – Students will create an account with BankMobile and receive a card.

Please note:

- There are 2 disbursements during the Academic Year: One (1) disbursement in the Fall semester and ONE (1) disbursement in the Spring semester.

- If at the time of disbursement, you are NOT Meeting the SAP standard at COD; you owe funds to COD or the Department of Education, OR you are not enrolled at least half-time in eligible units towards your degree; *your loan funds will be returned to the Department of Education, and the full loan will be canceled*.

- Late-starting classes **must start at least four (4) weeks** before the disbursement date.

- BankMobile will send you an email notification once your federal loan has been disbursed.

Scheduled Disbursement Dates

Complete Loan Request Form By:	Federal Loan Disbursement Date
Fall 2025	
September 19th, 2025	October 23rd, 2025
October 17th, 2025	November 20th, 2025
November 14th, 2025	December 18th, 2025
Spring 2026	
February 13th, 2026	March 19th, 2026
March 13th, 2026	April 23rd, 2026
April 17th, 2026	May 21st, 2026

Annual Borrowing Amount

Under the Federal Direct Loan Program, the federal annual amounts a student can borrow for a full academic year:

Academic Year (Grade Level)	Dependent Student		Independent Student	
	Subsidized	Annual Amount *(Subsidized & Unsubsidized Combined)*	Subsidized	Annual Amount *(Subsidized & Unsubsidized Combined)*
1st Year *(0 – 29.9 units)*	$3,500	$5,500 ($2,000 Unsubsidized)	$3,500	$9,500 ($6,000 Unsubsidized)
2nd Year *(30 or more units)*	$4,500	$6,500 ($2,000 Unsubsidized)	$4,500	$10,500 ($6,000 Unsubsidized)

Important Information:

- In addition to the annual amounts listed above, each borrower (you) has lifetime eligibility, also known as "Aggregate Loan Limits." These are the MAXIMUM amount of loans a borrower (you) can borrow while pursuing your undergrad career (Associate & Bachelor). For specific aggregate amounts, please review more information on the Department of Education's website.

- Generally, students attending **ONE SEMESTER** are eligible for **ONLY HALF** of the annual amounts.

- Your Federal Direct Loan(s) will be originated for the amount you are eligible for at the time of processing. COD has the right to deny a loan request, and you will be notified via your *MyCOD.us.*

- College of the Desert encourages all students taking out a loan to review the Loan Simulator Tool to estimate/simulate monthly payments when taking out a student loan.

Interest Rates & Origination Fee

If you borrow a federal student loan, you will be required to repay that loan with interest. The **Interest Rate and Origination Fee** vary depending on the *loan type* and the *first disbursement date of the loan.*

Please refer to the types of loans, interest rates, and origination fees on the [Financial Aid COD Website.](#) For more information on the current interest rate and loan origination fees, visit [studentaid.gov](#).

Loan Type	First Disbursement Date	Interest Fee
Direct Subsidized & Unsubsidized Loans	*On or after July 1st, 2025 & before July 1st, 2026*	**6.39%**

Master Promissory Note (MPN) & Entrance Counseling (online)

You ***must complete/sign a Master Promissory Note (MPN)*** if you are a first-time borrower OR have not done an MPN within the past 10 years. Y*ou **must complete/sign a Loan Entrance Counseling** if* you are a first-time borrower. Failure to complete/sign your MPN and Entrance Counseling will delay your loan process and disbursement.

Complete MPN & Entrance Counseling:

1. Log in to [www.studentaid.gov](#) with your FSA ID by choosing the "LOG IN" icon on the home page.
2. Select "Complete Loan Agreement (Master Promissory Note) AND choose the subsidized/unsubsidized option.
   a. Make sure to choose College of the Desert under the school section. *(school code: 001182)*
3. Select the "Complete Loan Entrance Counseling" option AND choose "Undergraduate Student".
   a. Make sure to choose College of the Desert under the school section. *(school code: 001182)*

Exit Counseling

The College of the Desert (COD) Default Management Plan requires all borrowers to complete the Federal Direct Loan Exit Counseling ***AFTER*** graduating from COD or dropping below half-time (6 units) enrollment.

Note *– It will take ONE (1) WEEK for the Financial Aid Office to receive your results.*

Complete Loan Exit Counseling online:

1. Log in to [www.studentaid.gov](#) with your FSA ID by choosing the "LOG IN" icon on the home page.
2. Select the "Complete Loan Exit Counseling" option
   a. Make sure to choose College of the Desert under the school section. *(school code: 001182)*

Repayment Services/Information

College of the Desert partners with ***IonTuition, a third-party servicer***, to help borrowers manage the repayment of their Federal Direct Student Loans. Under the requirements defined by the U.S. Department of Education, IonTuition monitors your repayment plan and will notify you of any critical changes so you can relax and know that you're on the best possible path to eliminating your student loan debt.

IonTuition uses a single, user-friendly platform to help manage your student loans. IonTuition users receive guidance from self-service planning tools and live counselors to find repayment plans that work for them, including income-driven options. **You can access the IonTuition portal six (6) months after your first loan disbursement.**