Financial Aid
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(909) 384-4403

Federal Direct Student Loan Information

2026-2027 Award Year

Borrow carefully. Federal Direct Loans are borrowed funds from the U.S. Department of Education. Loans must be repaid with interest, even if you do not complete your program, cannot find employment, or are dissatisfied with your education.

Loan Types

Direct Subsidized Loan: Available to eligible undergraduate students with financial need. The federal government generally pays the interest while you are enrolled at least half-time, during the six-month grace period, and during eligible deferment periods.

Direct Unsubsidized Loan: Available to eligible undergraduate students regardless of financial need. Interest begins accruing when the loan is disbursed. You may pay the interest while enrolled or allow it to be added to the principal balance.

Eligibility Requirements

- Complete the 2026-2027 FAFSA and all required financial aid documents.
- Be admitted and enrolled in an eligible degree or certificate program.
- Be enrolled at least half-time (6 or more eligible units).
- Meet Satisfactory Academic Progress (SAP) requirements.
- Have remaining annual and aggregate loan eligibility.
- Not be in default on a federal student loan or owe a federal grant overpayment.
- Meet all other federal student aid eligibility requirements.

How to Apply at SBVC

1. Contact or visit the Financial Aid Office to request a loan eligibility review.
2. If eligible, the Direct Loan Application will be assigned in Student Forms (CampusLogic).
3. Submit the completed application and all required documents.
4. A Financial Aid Specialist will review the request and determine the amount that may be certified.

Required documents may include:

- Valid, unexpired government-issued photo ID
- Social Security card
- Direct Loan Acknowledgement of Obligation and Responsibility
- Completed Master Promissory Note (MPN)
- Entrance Counseling confirmation
- Current Educational Plan from an SBVC counselor

Annual and Aggregate Loan Limits

Undergraduate annual and aggregate loan limits remain unchanged for 2026-2027. Your actual eligibility may be lower based on financial need, cost of attendance, other aid, prior borrowing, remaining program length, enrollment status, and institutional review.

Academic Level	Dependent Student	Independent Student*
First Year	Up to $5,500 (maximum $3,500 subsidized)	Up to $9,500 (maximum $3,500 subsidized)
Second Year	Up to $6,500 (maximum $4,500 subsidized)	Up to $10,500 (maximum $4,500 subsidized)
Aggregate Limit	$31,000 (maximum $23,000 subsidized)	$57,500 (maximum $23,000 subsidized)

***** Includes dependent students whose parents are unable to obtain a Parent PLUS Loan due to adverse credit, when the student qualifies for additional unsubsidized eligibility. SBVC does not participate in the Parent PLUS Loan Program.

Important 2026-2027 Federal Loan Changes

Federal legislation formerly referred to as the One Big Beautiful Bill Act (OBBBA), and now referred to by the U.S. Department of Education as the Working Families Tax Cuts Act, changes federal student loan rules beginning July 1, 2026.

- Undergraduate annual and aggregate loan limits are unchanged.
- For term-based programs, annual loan eligibility is reduced in proportion to enrollment status when a student is enrolled less than full-time. Students must still be enrolled at least half-time to receive a Direct Loan.
- A new $257,500 lifetime maximum applies across student Title IV loans. This does not replace the lower undergraduate aggregate limits shown above.
- New limits apply to graduate, professional, and Parent PLUS borrowers, and Grad PLUS is generally phased out for new borrowers. These provisions may affect students who later transfer to graduate or professional programs.
- Some borrowers may qualify for a temporary exception based on enrollment in a program as of June 30, 2026, and receipt of a Direct Loan for that program before July 1, 2026.

For current explanations and updates, visit the **SBVC Federal Financial Aid Changes webpage**.

2026-2027 Interest Rate

Origination Fee

A federal loan fee is deducted proportionately from each disbursement. You are responsible for repaying the full amount borrowed, not only the amount you receive.

Loan Type	Origination Fee
Direct Subsidized and Direct Unsubsidized Loans	1.057%

This fee applies to loans with a first disbursement on or after October 1, 2020, and before October 1, 2027. Federal loan fees are subject to change.

Borrower Requirements and Responsibilities

- Complete Entrance Counseling before receiving your first Direct Loan at SBVC.
- Complete and sign a Master Promissory Note (MPN).
- Borrow only what you need. You may request an amount lower than your maximum eligibility.
- Review your federal loan history and loan servicer information at StudentAid.gov.
- Notify the Financial Aid Office if you change enrollment, withdraw, graduate, or no longer want the loan.
- Complete Exit Counseling when you graduate, withdraw, or drop below half-time enrollment.
- Keep your contact information current with your loan servicer and repay your loan according to its terms.

Complete federal loan requirements at **StudentAid.gov**, including **Entrance Counseling**, the **Master Promissory Note**, and **Exit Counseling**.

Disbursement Rules

- Loan funds are disbursed according to the SBVC Financial Aid Disbursement Schedule and only after all eligibility requirements are met.
- Loans are generally divided into at least two substantially equal disbursements.
- First-year, first-time Direct Loan borrowers must complete the federally required 30-day delay before the first loan disbursement.
- Enrollment changes may reduce or cancel a loan, including after the loan has been awarded.
- Disbursement amounts are reduced by the federal origination fee.

Review the current **SBVC Disbursement Schedule** for additional information.

2026-2027 Loan Application Deadlines and Anticipated Disbursements

Applications must be complete by the published deadline. A submitted application does not guarantee approval or disbursement. Dates may change based on eligibility, processing, enrollment, or federal requirements.

Term	Completed Application Due	Anticipated Loan Disbursement
Fall 2026	September 4, 2026	October 2, 2026
Fall 2026	September 25, 2026	October 23, 2026
Spring 2027	February 19, 2027	March 19, 2027
Spring 2027	March 12, 2027	April 9, 2027

Repayment

Most undergraduate Direct Loan borrowers receive a six-month grace period after graduating, withdrawing, or dropping below half-time before scheduled repayment begins. Interest may accrue during the grace period depending on the loan type. Your federal loan servicer will provide repayment information and billing notices.

Federal repayment options changed beginning July 1, 2026. Borrowers should review current repayment plan information at **StudentAid.gov/loan-simulator** and the **SBVC Federal Financial Aid Changes webpage**.

Important Notices

- SBVC may reduce or deny a loan request on a case-by-case basis when permitted by federal law. The decision will not be based on discrimination against a protected class.
- The amount shown in the loan-limit table is a maximum, not a guaranteed award.
- Students may cancel or reduce a loan by contacting the Financial Aid Office. Federal cancellation timelines may apply after disbursement.
- Loan information and federal requirements are subject to change. The most current federal guidance controls if information in this publication conflicts with later federal guidance.

Questions? Contact the SBVC Financial Aid Office at (909) 384-4403 or faid@valleycollege.edu. Visit **www.valleycollege.edu/financialaid** for current information.

Federal references: 2026-2027 Direct Loan Interest Rates; Loan Limits FAQs; OBBBA/Working Families Tax Cuts Act Resources.