

Federal Direct Loans

Direct Loan Disbursement Notification Policy/Procedures

1. Wallace State notifies students as soon as FAFSA information is received by individual letter on additional requirements that are needed in order to determine the student's eligibility. Students who do not have additional requirements are also notified but their records continue in the Budgeting and Packaging Process. They are notified by e-mail of their Pell Grant and Direct Loan Eligibility when they are made an award offer and instructed how to log in to look at the offer and accept if they choose to accept the loan funds. There is also a box on the Award Offer that allows a student to accept a partial amount and a box to type in the amount of money they want.
2. The award letter breaks down Pell Grant, SEOG, Subsidized Direct Loans, Unsubsidized Direct Loans, scholarships, etc. and which terms the funds are allocated.
3. Direct Loan funds that are accepted are sent to COD to confirm MPN and Entrance Counseling before they are authorized on a student's account.
4. Direct Loan Funds do not move to Accounts Receivable to create a credit balance until after the drop add period. Classes begin usually 3 to 5 days before the drop add period ends.
5. Students can see their funds on their MyWallaceState account. When their refund check is generated, their account will state "Refund General" and an amount.
6. Our Business Office processes student refunds once a week, every week during the school year.
7. A loan change form gives the student multiple options to indicate what they want to change or cancel on their Direct Loan. The form gives the student the option to request loan funds that were previously declined ask to be evaluated as a second year student if hours earned changes within the school year or cancel their loan. The form must be signed by the student to be processed.

Students/Parents will be notified by e-mail once their request for a loan cancellation has been completed. Their MyWallaceState account will also have an additional Tracking Requirement "Loan Cancellation Request" that will show pending when a student submits the request and "satisfied" once it has been completed. These will also show the dates the changes were made.