Piedmont Community College is participating exclusively in the Federal Direct Loan program for the 2011 - 2012 academic year. The lender is the U.S. Department of Education rather than a bank or other financial institution.

In the past, Piedmont Community College participated in the Federal Family Education Loan Program (FFELP) in which students and parents borrowed from private banks and lenders.

**Direct Loan Program**

Direct Loan Program consists of low-interest subsidized and unsubsidized loans funded by the federal government. Loans are available to students enrolled in an approved program of study. Loan repayment begins six months after graduation or dropping below half-time enrollment.

**Direct Subsidized Loan**

Direct Subsidized Loans are awarded to students in an eligible approved program of study with demonstrated need. The eligibility for financial need is determined by using a federal formula. Interest is paid by the government until six months after you leave school or drop below half-time enrollment status. Interest rate for undergraduate students is fixed at 3.4% for loans with a first disbursement date between July 1, 2011 and June 30, 2012.

**Direct Unsubsidized Loan**

Direct Unsubsidized Loans are available to all students in an eligible approved program of study program regardless of income. Interest accrues from the date of disbursement, but the extra costs of accrual can be avoided by making regular interest payments while in school. Interest rate is fixed at 6.8%.

Subsidized and Unsubsidized Loans can be combined as long as the maximum annual and aggregate limits for the Direct Loan Program have not been exceeded.