This policy addresses the relationship between the Ferrum College Financial Aid Office and the lenders utilized by Ferrum College student borrowers in the Alternative (Private) Loan Programs.

In keeping with the mission of the Financial Aid Office, we feel it is our responsibility to identify lenders that we believe will offer student and parent borrowers the best possible benefits to make their loan repayment as affordable as possible and offer great customer service.

We encourage students to research lenders before making a selection. Ferrum College’s Lender List is provided simply as a resource. No one is required to select a lender from Ferrum College’s Lender List. Our office will process a loan from any qualifying lending agency a student chooses to utilize. We are required to process the documents required to obtain a loan under Part B from any eligible lender.

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.

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 2009-2010 academic year, the maximum amount of federal grant aid awarded to students was approximately $11,000. The average amount of federal grant aid awarded to students was approximately $2639.

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 loans. Below you will find the maximum borrowing limits for Federal Direct Stafford Loan borrowers for the 2010-2011 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

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 normally are 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 lenders promising them a specific amount of loan volume in return for any benefits such as revenue sharing or stock options. Ferrum College has a policy that we will not accept gifts, meals, entertainment or similar incentives from any lender or guarantee agency.

Ferrum College also 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 call center or financial aid office assistance from lender partners  
*Contracting arrangements by an employee in the Financial Aid Office who has responsibility for loans  
*Receiving any gifts (affects all agents, offices, and employees of the College)  
*Using name, logo, mascot of school to promote/market loans

Ferrum College’s Lender List is online at [www.ferrum.edu/financialaid/SPP.html](http://www.ferrum.edu/financialaid/SPP.html)  
Beginning in the Spring 2010 semester, all new borrowers will be 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 2010, Ferrum College issued a Request for Information (RFI) to 6 lenders and to which 6 lenders submitted a proposal. Proposals were reviewed by the Director of Financial Aid. For the 2010-2011 academic year, all alternative loan lenders were chosen to be on the lender list due to lack of availability of private loan lenders 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. Stability in an uncertain market was also a key factor in determining the lender list.

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.

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.