

Federal Direct Loans

ELIGIBILITY

Eligible students filing the Free Application for Federal Student Aid (FAFSA) will be considered for a student William D. Ford Federal Direct Loan. The U.S. Department of Education is the lender. Upon verification of eligibility, completion of a Master Promissory Note and Entrance Counseling (if you are a first-time borrower), the loan funds will be credited to your account.

You must be enrolled at least half-time each term of the loan period to be eligible to receive a student William D. Ford Federal Direct Loan. Half-time is defined as six or more credit hours for undergraduate students.

For more detail about the William D. Ford Federal Direct Loan program, click here:

<https://studentaid.gov/understand-aid/types/loans>

	Loan Amounts	Who is Eligible	How to Apply	Interest Rate and Terms of Repayment
Federal Direct Subsidized Loan	See Federal Direct Loan Page	U.S. citizens or permanent residents demonstrating financial need	Submit FAFSA	Fixed rate —Begins 6 months after student leaves school or drops below half time enrollment (6 credit hours).
Federal Direct Unsubsidized Loan	See Federal Direct Loan Page	Students who have not received the max Federal Direct Subsidized Loan. Independent students may have additional eligibility.	Submit FAFSA	Fixed rate —Begins 6 months after student leaves school or drops below half time enrollment (6 credit hours).
Federal Direct PLUS Loan	Up to the cost of education less aid received	Parents of dependent students	Submit FAFSA and online loan application	Fixed rate —Begins 60 days after entire loan is disbursed or 6 months after student leaves school.
Private Education Loans	Up to the cost of education less aid received	Varies	Varies	Varies

*The interest rate on the loan is fixed at the time the loan disburses. Currently, the maximum rate will not exceed 8.25 percent. New loan interest rates for subsequent years are adjusted once a year on July 1. (Click on <https://studentaid.gov/understand-aid/types/loans/subsidized-unsubsidized> at for calculators and interest rates.)

Subsidized Loans

- This loan is available to students who demonstrate financial need.
- For a subsidized loan, the federal government pays the interest: while you are in school for at least 6 credit hours, for the first six months after you leave school (referred to as the grace period) and during a period of deferment (postponement of loan repayment).
- The amount of your subsidized loan cannot exceed financial need or the annual loan limit set by the federal government, whichever is the lesser amount.

Unsubsidized Loans

- This loan does not require students to demonstrate financial need.
- The federal government does not pay the interest on an unsubsidized loan.
- The amount is determined by the following equation:

Cost of Attendance

minus Federal Pell Grant, if eligible

minus Subsidized Loan, if eligible

minus any other financial aid received by the student

= Amount of unsubsidized loan (up to the annual limit)

LOAN LIMITS

The amount you can borrow may be limited by factors such as other financial aid you may receive. The loans are for educational purposes and can never exceed the cost of your attendance less any other aid.

	Dependent Students	Independent Students
First Year (0-36 credits earned)	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.
Second Year (36 or more credits earned)	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.
Undergraduate Aggregate (Lifetime) Borrowing Limits	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500—No more than \$23,000 of this amount may be in subsidized loans.

NOTE: The amounts shown in the chart are the maximum for one academic year. However, the amount offered may be less depending on the other financial aid that you receive during the same academic year.

PROMISSORY NOTE

In order for loan funds to disburse to your student account, you must complete a Federal Direct Loan Master Promissory Note (MPN). To complete an MPN, you will need your FSA ID obtained from the U.S. Department of Education. (Your FSA ID is the same username and password you used to complete your Free Application for Federal Student Aid (FAFSA) online. If you did not complete your FAFSA online, do not have a FSA ID, or have misplaced your FSA ID, visit the U.S. Department of Education's [FSA ID](#) site.) You will also need your social security number, driver's license, and two references with different U.S. addresses.

For more information about the Federal Direct Master Promissory Note, click here:

<https://studentaid.gov/mpn/>

ENTRANCE COUNSELING

If you are a first-time borrower with the William D. Ford Federal Direct Loan program, you will need to complete entrance counseling. Entrance counseling must be completed before your loan will disburse to your account. Contact the financial aid office at the institution for more information on how to complete this requirement.

DISBURSEMENTS

Once we have received notification from the Direct Loan Servicing Center that you completed the promissory note and you have completed your entrance counseling session, we will update your account with these documents. It may take as long as 72 hours for us to receive notification after you have completed the documents online. The loan money will be directly applied to your student account as long as you meet the general eligibility requirements for federal financial aid and you are enrolled for at least six credit hours. Loan money will pay for tuition and fees. If there is any remaining loan money after these charges are paid, a refund check will be generated and be distributed directly to you.

Direct Loans be disbursed evenly over the terms in your academic year. In addition, the institution does not disburse Direct Loan funds to new borrowers until after 30 days have elapsed from the beginning of the term.

**If you are new to the institution, your first disbursement will not be applied to your student account until 30-45 days after the start of the first term.

CHANGING YOUR LOAN AMOUNTS

Although your signature on the MPN allows us to make multiple loans to you under a single promissory note, you are not required to accept the loan amount that we award you. You should notify us immediately in writing if you want to borrow a different amount than what was awarded (the institution will determine eligibility for any amount greater than the initial award first). In addition, you may cancel all or a portion of your loan(s) after the funds have been credited to your student account by notifying the Financial Aid & Scholarships office in writing within 30 days after the date of the disbursement notice.

EXIT COUNSELING

Prior to graduating or leaving college, Federal Direct Loan student borrowers are required to complete an Exit Counseling session. This Exit Counseling session has been created to make sure that you understand your rights and responsibilities as a federal student loan borrower. A financial aid representative will notify and assist in completing this requirement.

BORROWER'S RESPONSIBILITIES—REPAYMENT

You are required to begin making payments on your Federal Direct Stafford Loans after you graduate, leave school, or drop below half-time enrollment. Plan ahead for repayment and budget wisely. You have a six month grace before you must begin repayment. The Federal Direct Stafford Loan Program offers loan repayment plans designed to meet the needs of almost every borrower and allows you to choose which repayment plan is best for you. Federal Direct Stafford Loan borrowers may choose between the standard, extended, graduated, income contingent, and income-based repayment plans.

Your loan will be originated with a Direct Loan Servicing Center which, in addition to information on repayment plans, provides a [repayment estimator](#) to help you determine how much you pay and how long it will take to repay your loan based on the plan chosen. Calculations are estimates and the values may not reflect the actual amount computed by the Direct Loan Servicing Center.

Also, Loan Calculators can be found at <https://www.finaid.org/calculators/>. There are calculators to help you figure out how much school will cost, how much you need to save, your estimated monthly payment, and more.

Approximately 7-10 business days after the first disbursement of your loan, your loan is assigned to a loan servicer who will then send you information regarding your loan. Repayment of your loan is managed by your

loan servicer. To review your loans and to obtain your loan servicer contact information, you may access <https://nslds.ed.gov>. You will need to login using your [FSA ID](#).

IF YOU ALREADY HAVE A STUDENT LOAN

If you already have a student loan that was made through the Direct Stafford Loan Program along with a [FSA ID](#), you can get your most recent account information from <https://nslds.ed.gov>.

DEFERMENT/FORBEARANCE

If you have a problem making your monthly loan payments, you may be able to postpone your payments through a deferment or forbearance request. Deferments are also an option if you are returning to school after an absence. You may also be eligible to have your Federal Direct Stafford Loan or Federal Perkins Loan forgiven (See <https://studentaid.gov/manage-loans/forgiveness-cancellation>).

If you have exhausted your deferment and forbearance options, and/or want to avoid a default, you may also want to consider a loan consolidation. A Direct Consolidation Loan allows you to combine one or more of your federal education loans into a new loan that offers several advantages..

MANAGE LOANS/AVOID DEFAULT

If your loans become seriously delinquent you run the risk of going into default which has serious consequences. Click here to understand more about the consequences of default and how to avoid it:

<https://studentaid.gov/manage-loans/default>

FEDERAL PARENT PLUS LOANS

If you are a dependent student, your parent may wish to borrow a federal parent plus loan on your behalf. Contact the financial aid office for more information.

Also click here to learn more about the Parent Plus Loan:

<https://studentaid.gov/app/launchPLUS.action?plusType=parentPlus>