

Loans– The Simple Facts

Student—Federal Direct Loans Subsidized/Unsubsidized

Student eligibility listed on Financial Aid Notification

- Student must be enrolled at least half-time (six or more credit hours) to borrow
- Interest Rate on or after 7/1/20 and before 7/1/21
 - ◊ Subsidized – 2.75% fixed rate
 - ◊ Unsubsidized – 2.75% fixed rate
- Fees on or after 10/1/20 and before 10/1/21
 - ◊ 1.057%
 - ◊ Calculate net amount applied to student’s account
 $\text{Loan amount} \times .98943 = \text{net amount}$
- Payments begin six months after the student leaves school, graduates, or drops below half-time status

Student is the borrower

- Complete Entrance Counseling
- Complete Loan Agreement (Master Promissory Note)

Parent—Federal Direct PLUS Loan

Parent eligibility listed on Financial Aid Notification

- Student must be enrolled at least half-time (six or more credit hours) to borrow
- May borrow up to the cost of attendance minus all financial aid options
- Interest Rate on or after 7/1/20 and before 7/1/21
 - ◊ 5.30% fixed rate
- Fees on or after 10/1/20 and before 10/1/21
 - ◊ 4.228%
 - ◊ Calculate net amount received by the school
 $\text{Loan amount} \times .95772 = \text{net amount received by the school}$
- Payments begin after the loan is fully disbursed for the academic year
 - ◊ Payment deferment and/or forbearance options available

Parent is the borrower

- Parent of a dependent undergraduate student
 - ◊ Biological, adoptive, or step-parent
- Yearly application process
 - ◊ Complete Loan Application, Credit based loan, may apply with an Endorser
- Complete Loan Agreement (Master Promissory Note)
- Allows additional unsubsidized eligibility for undergraduate student if parent is denied the loan

Private Loans

- Loan in student’s name with cosigner
- Parent loans available
- Variable and fixed interest rates
- Lender specific benefits