

Loans

Federal Direct Loan Programs

Federal Direct Subsidized Loan

The purpose of the Direct Loan Program Subsidized Stafford Loan is to provide low-interest educational loans that enable a student to pay the cost of attendance at a public, private or nonprofit college or university. The federal government pays the interest on these loans while a student is in school, during a grace period and during authorized periods of deferment.

Eligibility Requirements:

- Be a U.S. citizen or an eligible non-citizen.
- Complete a FAFSA and be eligible to receive federal financial aid.
- Be enrolled at least half time (enrollment in remedial-only course work does not meet eligibility requirements).
- Meet Satisfactory Academic Progress requirements.
- Must not owe a refund (also called an “overpayment”) on any federal grant program or be in default or delinquent on a previously obtained federal student loan.

Annual Loan Limits:

First-year undergraduates	\$3,500
Second-year undergraduates	\$4,500
Aggregate limit for undergraduate students	\$23,000

A 2 percent origination fee is deducted from the proceeds of each loan disbursement. There are no guarantee or insurance premium fees. Loans that are first disbursed on or after July 1, 2006, will have a fixed annual (simple interest) rate of 6.8 percent for the life of the loan. The borrower is not responsible for the interest accrued while he/she is enrolled at least half time, during the six-month grace period and during certain authorized deferment periods. Interest is not capitalized at any time and may be paid as it accrues.

Repayment of the loan begins six months after the student ceases to be enrolled at least half time. The loan repayment schedule will require a minimum monthly payment of \$50 or an amount required to repay the loan within 10 years, whichever is greater. Borrowers may be eligible for postponement of loan repayment under certain circumstances.

Federal Direct Unsubsidized Loan

The purpose of the Federal Direct Loan Program Unsubsidized Stafford Loan is to provide low-interest educational loans that enable a student to pay the cost of attendance at a public, private or nonprofit college or university. The borrower is responsible for interest that accrues while in school, during a grace period or during authorized periods of deferment or forbearance.

Eligibility Requirements:

- Be a U.S. citizen or an eligible non-citizen.
- Completed a FAFSA.

- Be enrolled at least half time (enrollment in remedial-only coursework does not meet eligibility requirements).
- Meet Satisfactory Academic Progress requirements.
- Must not owe a refund (also called an “overpayment”) on any federal grant program or be in default or delinquent on a previously obtained federal student loan.

Annual Loan Limits:

First-year undergraduates	\$6,000
Second-year undergraduates	\$6,000
Aggregate limit for undergraduate students	\$23,000
Aggregate limit for subsidized and unsubsidized loans	\$57,000

A 2 percent origination fee is deducted from the proceeds of each loan disbursement. There are no guarantee or insurance premium fees. Interest accrues from the date the funds are issued until the loan(s) are paid in full. Interest is not capitalized at any time and may be paid as it accrues.

Repayment of the loan begins six months after the student ceases to be enrolled at least half time. The loan repayment schedule will call for a minimum monthly payment of \$50 or an amount required to repay the loan within 10 years, whichever is greater. Borrowers may be eligible for postponement of loan repayment under certain circumstances.

Federal Parental Loans to Undergraduate Students (PLUS)

The purpose of the PLUS loan is to enable parents with good credit histories to borrow to pay the educational expenses of their dependent undergraduate students. To be eligible, parents must

- Be U.S. citizens or eligible non-citizens.
- Have students enrolled at least half time.
- Have students who are meeting the Satisfactory Academic Progress requirements of the college or university.
- Have good credit.
- Are not in default or owe a refund (the financial aid office may call this an “overpayment”) to any student financial assistance program.

Applicants do not have to show financial need. The PLUS may be used to cover the family’s expected contribution (EFC). Awards vary. The amount of PLUS combined with other financial assistance cannot be greater than the cost of attendance.

Institutional Loan Program

Short-Term Emergency Loan

This loan is available to a limited number of students to assist in meeting emergency financial demands. The loan is offered on a short-term basis, not to exceed 60 days, when other funds are expected but currently unavailable. This enables the student to continue his/her educational pursuits. Students should be enrolled for at least six semester hours and maintain satisfactory progress. Loans generally do not exceed \$250 and are due before the end of the semester in which they are made.