

# STUDENT AND PARENT LOANS

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## Federal Direct Loans

The Federal Direct Loan Program is a federal loan program designed to help a student pay expenses at institutions of post-secondary education. All Federal Direct Loan applicants must demonstrate financial need in order to qualify for a subsidized loan. A student with no need or partial need may be eligible for an unsubsidized loan. A Free Application for Federal Student Aid (FAFSA) must be completed before a Federal Subsidized and/or Unsubsidized Direct Loan can be processed. The interest rate for Federal Direct Loans is variable but will not exceed 8.25%. The interest rate is adjusted each year on July 1. The repayment period for Federal Direct Loans begins six months after the student/borrower is graduated, ceases to be at least a half-time student or withdraws from school.

- **Dependent/Independent undergraduates** can receive subsidized Direct Loans up to: 1) Students who have completed 1-29 credit hours of study are eligible for \$3,500, 2) Students who have completed 30-59 credit hours of study are eligible for \$4,500, 3) Students who have completed 60 or more credit hours of study are eligible for \$5,500. Also, all students are eligible for up to \$2,000 in additional unsubsidized Direct Loans.
- **Independent students** and dependent students whose parents are unable to obtain a PLUS loan can borrow additional amounts from the Unsubsidized Federal Direct Loan Program, in the amount of \$4,000 for their first and second years of study and \$5,000 for their third and fourth year.
- **Graduate students** can borrow up to \$20,500 from the Unsubsidized Federal Direct Loan Program if their cost of education warrants these amounts.

Direct Loan borrowers should go to <https://studentaid.gov/> for specific information on repayment, deferment, cancellation and default provisions.

## Federal Parent Loan to Undergraduate students (PLUS)

This loan enables parents of dependent undergraduates to borrow for their dependent's education. A FAFSA is required to receive a Federal Plus Loan. Repayment of this loan begins within 60 days of the date that the loan is disbursed. However, parents may apply for a deferment through their servicer. The interest rate is variable, adjusted annually, not to exceed 9%. Parents may borrow up to the cost of attendance annually, less any financial aid awarded to the student. Parents can apply for PLUS loans and get specific information on repayment, deferment, cancellation and default provisions at <https://studentaid.gov/>.

## Private Education Loans

Private education loans may be available to assist students who have received the maximum financial aid award(s) allowed through grants, workstudy, and loans but still have remaining University expenses.

Students may search online for more information regarding private education options.