

Loans

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Federal Perkins Student Loan Program

Federal Perkins Student Loan Program is available to students from low-income families. The maximum amount that a student may borrow is \$1500 per semester. These loans are based on evidence of a student's academic ability as well as economic need. Payment of these loans is at five percent interest with the first payment due nine months after a student leaves the institution or graduates.

Federal Direct Stafford Loan Program

Federal Direct Stafford Loan Program is available to students who are enrolled for at least six credit hours each semester at the time of awarding and disbursing of funds. Students borrow from the U.S. Department of Education and may apply for a maximum annual loan according to the following schedule:

- \$5,500 for students who have earned less than 30 hours (freshmen).
- \$6,500 for students who have earned at least 30 hours but less than 60 (sophomores).
- \$7,500 for students who have earned at least 60 hours, but have not completed the requirements for a baccalaureate degree (juniors, seniors and graduates not pursuing a graduate degree).
- \$8,500 for graduate students pursuing a graduate degree and enrolled in at least 6 hours of graduate-level courses. Graduate students not enrolled in at least 6 hours of graduate level courses may be considered ineligible for the loan program or eligible for lower level loan amounts.

The total of a Federal Direct Stafford Loan award and a Federal Direct Unsubsidized Stafford Loan award may not exceed the annual loan limits. The U.S. Department of Education will deduct an origination fee of up to 3% and a default fee of up to 1% of the principal amount of the loan from each disbursement received by a student. These fees are used to offset the costs of default claims and special allowances.

Continuing and transfer students may apply if they have been making satisfactory progress by earning the required number of hours each year with a grade point average of at least 2.0. A first time Federal Direct Stafford borrower who has earned less than 30 hours cannot receive a Federal Direct Stafford Loan check until he/she has attended

classes for 30 days.

Loans of this type are repaid over a period of ten years, excluding periods of deferment and/or forbearance. Interest does not accrue while the student is enrolled at least half time (six hours). Repayment of principal and interest commences six months after the day on which the student ceases to be enrolled at least half-time. The interest rate is currently fixed at 5.6%.

Federal Direct Unsubsidized Stafford Loan Program

Federal Direct Unsubsidized Stafford Loan Program is available to all students, regardless of family income, who are enrolled for at least six credit hours each semester at the time of awarding and disbursing of funds. Students borrow from the U.S. Department of Education, and loan limits are the same as for the Federal Direct Stafford Loan Program. The total of a Federal Direct Stafford Loan award and a Federal Direct Unsubsidized Stafford Loan award may not exceed the annual loan limits. The U.S. Department of Education will deduct an origination fee of up to 3% and a default fee of up to 1% of the principal amount of the loan from each disbursement received by a student. These fees are used to offset the cost of default claims and special allowances.

Continuing and transfer students may apply if they have been making satisfactory progress by earning the required number of hours each year with a grade point average of at least 2.0. A first time Federal Direct Unsubsidized Stafford borrower who has earned less than 30 hours cannot receive an Unsubsidized Stafford Loan check until he/she has attended classes for 30 days.

Loans of this type are repaid over a period of ten years, excluding periods of deferment and/or forbearance. Students must pay interest during in school, grace, and deferment periods. These interest payments may be made monthly, quarterly, or be added to the principal amount of the loan (Le. capitalized). Repayment of principal commences six months after the day in which the student ceases to be enrolled at least half-time (six hours). The interest rate is fixed at 6.8%.

Parent Loans for Undergraduate Students (PLUS)

Parent Loans for Undergraduate Students (PLUS) Loan Program is for parents of dependent students. Parents who do not have adverse credit history may borrow from the U.S. Department of Education, and may borrow an amount equal to the cost of

education minus estimated financial assistance for each dependent student who is enrolled at least half time. The interest rate is fixed at 7.9 %. The U.S. Department of Education will deduct an origination fee of up to 3% and a default fee of up to 1% of the principal balance of each disbursement. These fees are used to offset the cost of default claims and special allowances.

Repayment of PLUS loans begins immediately and are repaid over a period of ten years, excluding periods of deferment and/or forbearance. Borrowers should contact the U.S. Department of Education to obtain information regarding possible deferment and/or forbearance options.
