

# Loans

## General Requirements

The Office of Student Financial Aid participates in several low-interest, long-term loans sponsored by federal and state programs. Applicants for all loans must complete the Free Application for Federal Student Aid (FAFSA) as part of the application process. Federal Direct and State loans are administered in adherence with accepted business practices in an effort to provide borrowers with an educational experience in personal finances as well as to ensure the continuance of existing loan funds through prompt repayment. Loan funds administered by the university vary in program qualifications requirements, amounts that may be borrowed and terms of repayment. Specific details concerning each loan fund, including the rights and responsibilities of a borrower and the repayment schedule, may be obtained from the Office of Student Financial Aid.

The personnel in the Office of Student Financial Aid are available as financial advisors to **all** students, regardless of their ability to borrow from one of the student loan fund programs. Through interviews and realistic examination of expenses and income, students often discover that borrowing is only one of the possible solutions to financial hardships.

General requirements stipulate that the student must have a valid FAFSA on record with the intended institution, must be accepted into a degree seeking program, must not be defaulted on **any** student loan, must not owe a refund on any grant previously received, and **must** complete loan requirements such as but not limited to; Student Loan Acknowledgment, Loan Entrance Counseling, and a Master Promissory Note, before receiving their first disbursement. If a continuing student, the student must meet the previously listed criteria as well as, be maintaining satisfactory academic progress. All students loan recipients must enroll in at least half time status to be awarded any student loan. If, at any point, the student's enrollment status falls below half-time, the student withdraws or graduates from the university, the student **must** complete a Loan Exit Counseling session. All loan requirements must be completed via [www.studentaid.gov](http://www.studentaid.gov). Late registration will result in delayed financial aid disbursement.

## Federal Direct Student Loan Program (Subsidized/Unsubsidized)

The Federal Direct Loan is designed to assist students who are maintaining Satisfactory Academic Progress toward a degree. Federal Direct Loans are a major form of self-help aid.

There are two types of Student Loans: Subsidized and Unsubsidized. Subsidized loans are federal student loans that do not accrue interest while the student is enrolled at least half time in a degree seeking program. Unsubsidized loans are federal students loans that accrue interest while the student is enrolled in at least half time in a degree seeking program. Interest will begin accruing at initial disbursement of an unsubsidized loan. The student also has the option to have the interest capitalized or added on to the total amount of the loan. The payments on the Federal Direct loans will begin six months after you graduate, leave school or drop below half-time enrollment. **Currently, the interest rate is 3.73% on Direct Subsidized and Unsubsidized loans disbursed on or after July 1, 2021, and before July 1, 2022. New loan rates are released every July 1 for the upcoming aid year. Listed below are the maximum annual loan limits by grade level.**

### Annual Direct Loans Limits

Dependent Undergraduate Students	Subsidized Limit	Unsubsidized Limit	Total Annual Limit
Undergraduate Freshman	\$3,500	\$2,000	\$5,500
Undergraduate Sophomore	\$4,500	\$2,000	\$6,500
Undergraduate Junior/Senior	\$5,500	\$2,000	\$7,500
Independent & Dependent Students whose parents were denied a PLUS Loan	Subsidized Limit	Unsubsidized Limit	Total Annual Limit
Freshman	\$3,500	\$6,000	\$9,500
Sophomore	\$4,500	\$6,000	\$10,500
Junior/Senior	\$5,500	\$7,000	\$12,500

## Federal PLUS Program for Parent Borrowers

A Federal PLUS (Parent loan for undergraduate dependent students) is a credit based; low interest rate loan for parent borrowers to assist them in paying for a dependent student's education. The amount a parent may borrow will be determined by the Office of Student Financial Aid. The loan may not exceed the student's cost of education minus other financial aid awarded. Presently, **the interest rate is 6.28% on PLUS loans disbursed on or after July 1, 2021, and before July 1, 2022.** New loan rates are released every July for the upcoming aid year.

As with the Direct Unsubsidized loan, there are no interest benefits paid by the federal government. The parent borrower must submit for a credit check as part of the application process. More information on PLUS and other federal loans is available at [StudentLoans.gov](http://StudentLoans.gov).