

# Federal Student Loans

## Federal Direct Unsubsidized Loans

The Direct Unsubsidized loan is a loan offered through the Federal Government. This type of loan accrues interest throughout the life of the loan. The Department of Education sets annual and aggregate limits for the loan program.

Interest rates for the unsubsidized loan are set by the Department of Education. Interest rates vary based on the student's level in school and the loan's first disbursement date. Currently the interest rate is fixed at 5.28%. The government also charges fees to create the loan. The current percentage charged on an unsubsidized loan is 1.057%. Interest rates are updated every July 1st. Origination fees are updated every October.

Funds are awarded per academic year. Disbursements are made at the start of each payment period. Each academic year is made up of at least two payment periods. Students are eligible for a 6-month grace period and a variety of repayment options.

For an unsubsidized loan to be processed a student must have also completed a student loan entrance counseling session and a Subsidized/Unsubsidized Loan Master Promissory Note (MPN). Both the counseling and MPN should be completed online at [www.studentaid.gov](http://www.studentaid.gov).

### **Annual and Aggregate Loan Limits**

#### **Annual Loan Limits**

##### **Dependent Undergraduate Students**

**(except students whose parents cannot obtain Direct PLUS Loans)**

First Year Total (maximum \$3,500 subsidized)	\$5,500
Second Year Total (maximum \$4,500 subsidized)	\$6,500
Third Year & Beyond (Total Each Year) (maximum \$5,500 subsidized)	\$7,500

##### **Independent Undergraduate Students**

**(and dependent students whose parents cannot obtain Direct PLUS Loans)**

First Year Total (maximum \$3,500 subsidized)	\$9,500
Second Year Total (maximum \$4,500 subsidized)	\$10,500
Third Year & Beyond (Total Each Year) (maximum \$5,500 subsidized)	\$12,500

##### **Graduate and Professional Studies**

Total Amount (Each Year) (unsubsidized only)	\$20,500
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#### **Aggregate Loan Limits**

##### **Dependent Undergraduate Students**

**(except students whose parents cannot obtain Direct PLUS Loans)**

Total Amount Cumulative (maximum \$23,000 subsidized)	\$31,000
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##### **Independent Undergraduate Students**

**(and dependent students whose parents cannot obtain Direct PLUS Loans)**

Total Amount Cumulative (maximum \$23,000 subsidized)	\$57,500
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##### **Graduate and Professional Studies**

Total Amount Cumulative (maximum \$65,500 subsidized, includes loans received for undergraduate study)	\$138,500
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*Note: Certain Health Professions are eligible for additional Unsubsidized Loan funds (up to \$33,000 for Pharmacy) and an increased aggregate limit of \$224,000.*

More information about the unsubsidized loan program can be found at [www.studentaid.gov](http://www.studentaid.gov).

## Direct Plus Loan for Graduate Students (Grad Plus)

The Direct PLUS Loan for Graduate Students is a loan offered through the Federal Government. This type of loan accrues interest throughout the life of the loan. Currently the interest rate is fixed at 6.28%. The government also charges fees to create the loan. The current percentage charged on an unsubsidized loan is 4.228%. Interest rates are updated every July 1st. Origination fees are updated every October. A student can borrow up to their cost of attendance minus all other aid awarded. Approval for the Grad PLUS loan is based on a student's credit. Students with adverse credit can add a credit worthy endorser to their application or provide documentation about extenuating circumstances for review.

Students should apply for enough funding to cover one academic year at a time. Students are encouraged to borrow responsibly and only what is needed. Students will need to reapply prior to the start of each academic year. Students should indicate the amount that they are requesting on their application. Loan applications should be completed online at [www.studentaid.gov](http://www.studentaid.gov). Students are eligible for a six-month grace period and a variety of repayment options. Funds are processed per academic year. Disbursements are made at the start of each payment period.

For a grad PLUS loan to be processed, a student must have submitted a FAFSA, exhausted all unsubsidized loan eligibility, completed a PLUS Master Promissory Note (MPN) for Graduate/Professional Students and completed a PLUS loan counseling session (required for students with adverse credit history). The loan application, counseling session and MPN should be completed online at [www.studentaid.gov](http://www.studentaid.gov).

## Sample Repayment Options

Students can choose from a variety of repayment options. Students can also change their repayment plan for free. Students can access a repayment estimator tool online at [www.studentaid.gov](http://www.studentaid.gov) to get a better idea of their individual repayment options. Below is an example of the various repayment options that could be available. Information about the different repayment options can be found at [www.studentaid.gov](http://www.studentaid.gov).

*Repayment options below are estimated based on an Unsubsidized Loan balance of \$82,000 (\$20,500 x 4 Years) at an estimated interest rate of 6.1%.*

<b>Standard</b>	
You will pay a total of <b>\$109,640</b> over 120 months	\$914-\$914/month
<b>Graduate</b>	
You will pay a total of <b>\$117,062</b> over 120 months	\$523-\$1,569/month
<b>Extended Fixed</b>	
You will pay a total of <b>\$159,703</b> over 300 months	\$532-\$523/month
<b>Extended Graduated</b>	
You will pay a total of <b>\$173,678</b> over 300 months	\$415-\$797/month

By signing the Master Promissory Note (MPN) for Direct Unsubsidized or Direct Grad PLUS loans a student is promising to repay the loan funds. Students are encouraged to research the repayment options to identify the one that will work best for them. As a borrower, students are also able to take advantage of deferment and forbearance options that can postpone payments for a period based on a qualifying circumstance.

## Rights and Responsibilities as a Student Loan Borrower

*You have the right to,*

- written information on your loan obligations and information on your rights and responsibilities as a borrower;
- a copy of your MPN either before or at the time your loan is disbursed;
- a grace period and an explanation of what this means;

- notification, if the department transfers your loan to another servicer without your consent;
- a disclosure statement, received before you begin to repay your loan, that includes information about interest rates, fees, the balance you owe, and a loan repayment schedule;
- deferment or forbearance of repayment for certain defined periods, if you qualify and if you request it;
- prepay your loan in whole or in part anytime without an early repayment penalty; and
- documentation when your loan is paid in full.

*You are responsible for,*

- completing exit counseling before you leave school or drop below half-time enrollment;
- repaying your loan according to your repayment schedule even if you do not complete your academic program, you are dissatisfied with the education you received, or you are unable to find employment after you graduate;
- notifying your lender or loan servicer if you
  - move or change your address,
  - change your telephone number,
  - change your name,
  - change your Social Security number, or
  - change employers or your employer's address or telephone number changes,
- making monthly payments on your loan after your grace period ends, unless you have a deferment or forbearance, and
- notifying your lender or loan servicer of anything that might alter your eligibility for an existing deferment or forbearance.

## Return of Title IV Funds

When a student withdraws from a program a calculation is done to determine the amount of financial aid that was earned by the student based on the amount of time, they were attending the program. The Return of Title IV calculation may result in a student owing the University for unpaid tuition and fees and the Department of Education for loans.

If the process creates a balance due on the student's account, the student is responsible for full payment. Funds returned to any Title IV program will not exceed the amount disbursed or credited to the student's account. If the process creates a credit balance on the student's account, the student may be eligible for a post-withdrawal disbursement. All Title IV funds will be made available within 45 days of the date the school determines the student withdrew.

Any refund calculated as a result of the return of Title IV process will be allocated in the following order:

1. Direct Unsubsidized Loan Funds
2. Direct Grad PLUS Loan Funds

Please see Withdrawal Policy and Refund Policy for additional information.

## Exit Counseling

Prior to completion of their program students who borrowed Federal Direct Loans must complete a Student Loan Exit Counseling session. Exit Counseling is a requirement. It provides information about your loan history, repayment, deferment and forbearance and avoiding default. Exit counseling should be completed online at [www.studentaid.gov](http://www.studentaid.gov). Students will need to log in using their FSA ID.

# Notice of Federal Student Financial Aid Penalties for Drug Law Violations

Any student that receives a conviction for any offense, during a period of enrollment for which the student was receiving Title IV, HEA program funds, under any federal or state law involving the possession or sale of illegal drugs will result in the loss of eligibility for any Title IV, HEA grant, loan or work-study assistance (HEA Sec. 484(r)(1)); (20 U.S.C. 1091(r)(1)).

## Free Scholarship Search Databases

Students are encouraged to investigate sources of financial assistance beyond what is offered by CHSU. Many foundations, professional associations, religious and ethnic organizations, and corporations offer grants and scholarships. Below are some free resources that could be utilized:

Fastweb: [http://edu.fastweb.com/v/o\\_registration/flow/step1](http://edu.fastweb.com/v/o_registration/flow/step1)

Mapping Your Future: <http://mappingyourfuture.org/paying/scholarshipresources.htm>

Scholarships.com: <https://www.scholarships.com/>