

## Direct Loan Guide 2011-2012 Academic Year

Loan Type		Federal Direct Subsidized Stafford	Federal Direct Unsubsidized Stafford Dependent	Federal Direct Unsubsidized Stafford Independent	Federal Direct Parent PLUS/ Grad PLUS
Annual Borrowing Limits	<i>Year 1</i>	\$3,500	\$5,500 minus subsidized Stafford awarded	\$9,500 minus subsidized Stafford awarded	Eligible loan amount—the cost of education less financial aid the student receives
	<i>Year 2</i>	\$4,500	\$6,500 minus subsidized Stafford awarded	\$10,500 minus subsidized Stafford awarded	
	<i>Year 3-5</i>	\$5,500	\$7,500 minus subsidized Stafford awarded	\$12,500 minus subsidized Stafford awarded	
	<i>Grad</i>	\$8,500	N/A	\$20,500 minus subsidized Stafford awarded	
Aggregate Limits	<i>Undergraduate</i>	\$23,000	\$31,000 minus subsidized Stafford total previously borrowed	\$57,500 minus subsidized Stafford total previously borrowed	No cap
	<i>Graduate</i>	\$65,500	N/A	\$138,500 minus subsidized Stafford total previously borrowed	
Interest Rate		3.4% Undergraduate Fixed - 6.8% Graduate	Fixed - 6.80%	Fixed - 6.80%	Fixed - 7.90%
Borrower Fees	Origination Fee: Up to 1%				Origination Fee: Up to 4%
Repayment Options	Standard (regular principal and interest payments over 10 years) Borrower automatically gets this option, unless they specify otherwise. Graduated (2–4 years interest only payments followed by standard payments) Income-Sensitive (based on gross income) Extended (regular principal and interest payments over 25 years) Income Based Repayment (IBR) (Payment caps based on Income and family size)				

### Federal Direct Loan Application Process

1. Apply for Federal Direct Loans by filling out the Free Application for Federal Student Aid (FAFSA). Most students use [FAFSA on the Web](http://www.fafsa.ed.gov) (www.fafsa.ed.gov) to complete their application. Electronic filing is the most time efficient method, however, a hardcopy version of the FAFSA can also be obtained from the local library, your high school guidance counselor, a college financial aid office, or by calling 1-800-4FEDAID.
2. The information on your FAFSA is transmitted to the schools that you list on the FAFSA, and those schools use the information to assess your financial need for student aid.
3. Your school will notify you of the loan amounts being offering in an award letter that lists all of your proposed financial aid awards.
4. Work with the financial aid office at your school to access and complete the Federal Direct Loan Master Promissory Note (MPN).
5. You will receive a disclosure statement that gives you specific information about any loans that the school plans to disburse under your MPN, including the loan amount, fees and the expected disbursement dates and amounts.

All questions regarding your Federal Direct Student Loan funding should be directed to the Financial Aid Office of your school. Work closely with your school as you move through the financial aid process.