

Educational Loans

The slide features a decorative arrangement of five circles. Three circles are solid light purple, and two are hollow with a light purple outline. They are positioned around the text: one hollow circle is above the first part of the title, one solid circle is above the second part, one solid circle is to the right of the title, one solid circle is to the left of the subtitle, one solid circle is below the first part of the subtitle, and one hollow circle is below the second part of the subtitle.

Stafford / PLUS loans



Federal Student & Parent Loan

- Federal Stafford Loan
- Federal Parent PLUS Loan
- (FFELP / Direct)



Stafford Loan

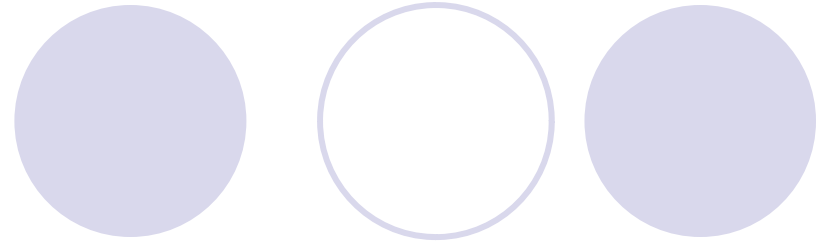
- The Federal Stafford Student Loan program is one of the most frequently used educational loan programs. The Stafford loan program is for both undergraduate and graduate students. Borrowing limits, interest rates and terms of repayment are defined by the US Department of Education.



How Much Can I Borrow?

- Stafford loan amounts vary depending upon grade level and eligibility
- Freshman \$3500 / \$2000
- Sophomore \$4500 / \$2000
- Junior \$5500 / \$2000
- Senior \$5500 / \$2000
- Grace Period
- Aggregate Limits (23,000 / \$31000)

Sub -vs- Unsub



- Sub = Need based
- Unsub = Non need based
- Determined by: (COA- EFC = Need)

● COA	\$10,000
● <u>EFC</u>	<u>\$ 0</u>
● NEED =	\$10,000

COA	\$10,000
<u>EFC</u>	<u>-\$80,000</u>
NEED	-\$0

The Steps...

- Students applying for federal loan must complete the FAFSA (Free Application for Federal Student Aid)
- www.pin.ed.gov
- www.fafsa.ed.gov
- MPN (Master Promissory Note)
- Entrance Interview



Steps cont.....

- MPN (Master Promissory Note)
- Good for 10 years
- Choose lender
-
- Entrance Interview
- Rights and responsibilities
- Loans cannot be posted without this step!



Federal Parent PLUS Loan

- The Federal Parent PLUS Loan program enables parents with good credit histories to borrow money to pay the education expenses of their children. The student must be a dependent undergraduate student and enrolled at least half time.

Parent Plus cont...

- Parent is the borrower
- Immediate repayment (60 days after 2nd disbursement)
- Eligibility = COA – other financial aid
- Current – 8.5%
- Do you need to complete the FAFSA???
- What happens if the parent is denied a PLUS Loan due to the credit check?