Federal Loans

Summary/Purpose: The federal loan programs.

To receive federal loans for any term, a student must be enrolled at least half-time. Half-time enrollment is five hours for graduate or law students or six hours for undergraduate students or professional Pharmacy students (PY2, PY3, and PY4).

Federal Direct Loans

Direct loans (subsidized and unsubsidized) are made available under the Direct Loan Program (DL) which helps both undergraduate and graduate students pay for their educational expenses. To determine eligibility, a student must complete a Free Application for Federal Student Aid (FAFSA) and meet all requirements as set forth by the U. S. Department of Education (DOE).

If the student is dependent as determined by the DOE, a parent must provide information and sign the student's FAFSA in addition to the dependent student's information and signature. All first-time borrowers at the University must complete online Loan Entrance Counseling, a federal requirement. The student will also sign a Master Promissory Note (MPN) for his/her Direct Loans. For those students receiving federal loans, online Loan Exit Counseling is required if enrollment is less than half-time or the student is graduating.

Direct Subsidized Loan

Eligibility for the subsidized loan is based on financial need as determined by the FAFSA. In combination with all other gift aid, resources, and need-based aid, the amount of this loan cannot exceed financial need. It also cannot exceed the federally allowed annual and lifetime borrowing limits. The loan is subsidized because the government pays the interest charge on the loan when the student meets one of the following conditions:

- Enrolled as degree-seeking in a qualified school at least half-time or
- Is in the six-month grace period after the student has graduated or ceases to be enrolled at least half-time.

Direct Unsubsidized Loan

Regardless of need, the unsubsidized loan is available to all students, assuming all other eligibility criteria are met. An unsubsidized loan combined with all other aid may not exceed cost-of-attendance. It also cannot exceed the federally allowed annual and lifetime borrowing limits. Interest accrues immediately upon disbursement of funds. The student is not required to repay the loan immediately. The student may choose to pay the interest portion while enrolled in school because the interest charged is accruing during in-school enrollment, grace periods, and deferment periods. If the student chooses to defer such payments, the interest will be capitalized which will result in an increase in both total debt and the amount of monthly payments. It is recommended that the interest charge of the unsubsidized loan be paid regularly to keep the student's debt as low as possible. A student should contact DOE to make arrangements for these payments.

Direct Parent Loan for Undergraduate Students (PLUS)

The Direct PLUS is made available under the Direct Loan Program (DL) which aids parents in helping to pay for the education of their dependent children as defined by the DOE. The PLUS is not based on financial need but may not exceed cost-of-attendance in combination with other aid.
To determine eligibility, a student and parent must complete a FAFSA and meet the federal requirements. A credit check is required. An undergraduate Parent PLUS application is borrower-initiated from the Office of Financial Aid web page.

**Direct Graduate PLUS**

The Direct Graduate PLUS aids graduate/professional students in helping to pay for their education as defined by the DOE. The Direct Graduate PLUS is not based on financial need but may not exceed cost-of-attendance in combination with other aid. To determine eligibility, a graduate student must complete a FAFSA and meet the federal requirements. A credit check is required. A Direct PLUS application is borrower-initiated from the Office of Financial Aid web page.

**Private (Alternative) Loan**

The Private Loan, also referred to as an alternative loan or non-federal loan, is a student loan that may be obtained by those students who are ineligible for federal student loans or who require more funding than the various aid programs can provide. Terms of private loans vary significantly from lender to lender. Private loans are not federally-guaranteed and require a credit check and/or an income-to-debt ratio check on the borrower, co-signer, or both. A private loan application is borrower-initiated from the Office of Financial Aid web page.

**Federal Perkins Loan**

The Federal Perkins Loan is a low-interest, long-term loan made to undergraduate and graduate students to help pay for their costs of education. The Perkins Loan is a need-based loan, and eligibility is based on financial need as determined by federal guidelines. The University is responsible for administering the loan program, and students repay the loan directly to the University. The interest does not accrue on the loan while the student is enrolled at least half-time or during the nine month grace period that begins once the student is graduated or is not enrolled at least half-time. Availability of funds is limited.

**Health Professional Student Loan**

The Health Professions Student Loan (HPSL) is a low-interest, long-term federal loan made to undergraduate and graduate students in the health professions to help pay for their cost of education. HPSL is a loan program of the Department of Health and Human Services. The HPSL is a need-based loan, and eligibility is based on financial need as determined by federal guidelines. Interest does not accrue on the loan for the student while at least half-time enrollment in school or during the twelve-month grace period after the student is graduated or is not enrolled at least half-time. Availability of funds is limited.

Parent income and asset information must be reported on the FAFSA, even if a student is an independent student (as required by the Department of Health and Human Services). This requirement cannot be waived. In cases where the parents refuse to provide income information, an affidavit documenting such a refusal cannot be accepted in lieu of the required information. Unless the parents are deceased, a student who does not provide parental income information may not be considered for HPSL funds.