

Federal Stafford Subsidized and Unsubsidized Loan Information Sheet

For students who attend at least half time and have filed a FAFSA. There are two kinds of Stafford loans—subsidized and unsubsidized.

Subsidized Stafford loans:

Subsidized Stafford loans are based solely on financial need. The federal government pays the interest while you're in college and during the six-month grace period after you graduate, leave school or enroll less than half time.

Unsubsidized Stafford loans:

Unsubsidized Stafford loans are for all eligible students, regardless of income or assets. You're responsible for paying all the interest on your loan, but you can defer interest payments while in school at least half time. If you do, when repayment begins the interest will be added to the amount you borrowed and future interest costs will be based on the higher loan amount. It's to your advantage to pay the interest while you're in college because you'll pay less interest in the long run. If you're an independent student, you may be eligible to receive additional unsubsidized Stafford loans to help cover unmet financial need or replace some of your EFC.

For Federal Subsidized and Unsubsidized Loans:

You must complete Entrance Loan Counseling before your Stafford Loan funds can be disbursed. The interest rate is fixed at 6.8 percent for the life of the loan. Starting July 1, 2008, for new *subsidized* loans taken out for undergraduate study, the rate will gradually drop each year until 2012 when the rate will return to 6.8 percent. The interest rate for undergraduate Subsidized Stafford Loans disbursed between July 1, 2009 and June 30, 2010 will be 5.6%. Unsubsidized Stafford Loans and graduate students borrowing under the Federal Stafford Loans are set at 6.8%. Origination or default fees of up to 2 percent may be deducted from each loan disbursement you receive. Repayment begins six months after you graduate, leave school or enroll less than half time. You must complete Entrance Loan Counseling before your Stafford Loan funds can be disbursed. You must also complete Exit Loan Counseling when you graduate, leave school or enroll less than half time.

Annual Stafford Loan Limits
Effective for the 2009-10 Award Year

	Base Amount	Additional Unsubsidized	
	All Students	Dependent Students	Dependent Students whose parents cannot borrow PLUS and Independent Students
1 st year Undergraduate	\$3,500	\$2,000	\$6,000
2 nd year Undergraduate	\$4,500	\$2,000	\$6,000
3 rd year and beyond Undergraduate	\$5,500	\$2,000	\$7,000
Teacher Certification	\$5,500	n/a	\$7,000
Preparatory Graduate / Professional	\$5,500	n/a	\$7,000
Graduate / Professional	\$8,500	n/a	\$12,000

Federal Parent and Graduate PLUS Loan Information Sheet

For students who attend at least half time. PLUS loans are not based on your family's income or assets. Borrowers must meet credit eligibility requirements (if borrowers do not meet the credit eligibility requirements they may apply with a co-borrower).

Parent PLUS loans:

Federal Parent PLUS loans enable your parents or stepparents (whose information is reported on your FAFSA) to borrow up to the total cost of your undergraduate study, minus any other aid you may receive (legal guardians cannot borrow PLUS loans for your study). To apply, your parents must complete the federal PLUS loan application and meet the credit eligibility requirements. You should also submit the FAFSA to see if you're eligible for other types of financial aid. Repayment begins within 60 days of loan's last disbursement, or parents can defer payments until student ceases to be enrolled at least half time. Interest accrues during deferment.

Graduate PLUS loans:

Graduate or professional students can apply for a federal Graduate PLUS loan and borrow up to the total cost of their education, minus any other aid they may receive, including any federal Stafford loans. Repayment begins within 60 days of loan's last disbursement (grad students may request an in-school deferment). You must complete Entrance Loan Counseling before your Graduate PLUS Loan funds can be disbursed. You must also complete Exit Loan Counseling when you graduate, leave school or enroll less than half time.

For Federal Parent and Graduate PLUS loans:

The interest rate for federal PLUS loans is fixed at 7.9 percent or 8.5 percent, depending on the loan program and college. Interest accrues from date of disbursement until paid in full. Origination or federal default fees of up to 4 percent may be deducted from each loan disbursement.