

Subsidized Federal Stafford Loan (Sub) Unsubsidized Federal Stafford Loan (Unsub)

These federal loans are available for undergraduate, credential, and graduate students. USD participates in the Federal Family Education Loan Program (**FFELP**). Funds will come from a bank, credit union, or other lender that participates in the FFEL Program. You must select a lender when you complete the **USD Loan Request Form for Federal Subsidized and Unsubsidized Stafford Loans**.

Eligibility: A Free Application for Federal Student Aid (**FAFSA**) must be filed and processed by USD for eligibility to be determined for the Stafford programs. You do not qualify for these programs if your status is "Special status". After you have received your Offer Letter, you may apply for the loan(s) for which you show eligibility. The Sub loan is need-based; the Unsub is not need-based. For both programs, at least half-time enrollment is required.

A Master Promissory Note (MPN) will be sent to you from the Loan Guarantor if you choose a lender that participates in Electronic Funds Transfer with USD. The MPN must be returned to the address provided with the MPN. Students who apply with an application from a non-EFT lender must mail the MPN to USD for the first Stafford loan certification with the USD Sub/Unsub Loan Request Form or provide full lender information on the USD Stafford Loan Request Form. An MPN is valid for 10 years if you stay with the same lender.

The **MPN lists all borrower's rights and responsibilities**. A sample MPN is on California State Guarantor's (EDFUND's) website at https://www.edfund.org/pdfs/L-4_fillin.pdf

The interest rate is adjusted annually with a cap of 8.25%. For the period 7/1/04-6/30/05 the interest rate is 2.77% while student is in school, grace or deferment; 3.37% while in repayment.

Loan proceeds will be received by USD in **two separate disbursements** (for a fall/spring student, at the start of each semester). An origination fee (up to 3%) and a guarantee fee (up to 1%) will be subtracted from each loan disbursement. **First-year, first-time borrowers** will receive their first disbursement 30 days after the start of the first semester they attend.

Earliest disbursement dates for 2005/2006 are: August 22 for the fall semester; January 16 for the spring semester. For one-semester loans, the 2nd disbursement will be received after mid-point of the semester. A notification will be sent to you when your loan has been received by USD. The lenders that currently participate in Electronic Funds Transfer (EFT) with USD are listed below. Students who select a lender that participates in EFT with USD are not required to endorse their loan checks. Non-EFT lenders will be sending checks that students must endorse at the USD Office of Student Accounts. **Note** that USD receives EFT disbursements twice per week; disbursements appear on a student's account on Wednesdays and Fridays.

Repayment while in school: For the Subsidized loan, principal payments are deferred and interest is paid by the federal government. For the Unsubsidized loan, principal payments can be deferred, but interest continues to accrue. Interest only payments may be paid while enrolled. Check with the lender for options.

Repayment of principal and interest begins approximately 6 months after student leaves school or is enrolled less than half-time. Standard repayment term is 10 years but various repayment options exist. Check with the lender for special repayment offers.

Eligible students are generally offered the maximum student loan in their financial aid package.	<i>Dependent</i> Annual Maximum Total Stafford = Sub and Or Unsub Stafford	Independent Annual Maximum
1 st Year Undergraduate (0-29 units)*	\$2625	Additional \$4,000 Unsubsidized \$6,625 Total
2 nd Year Undergraduate (30-59 units)*	\$3500	Additional \$4,000 Unsubsidized \$7,500 Total
3-4 th Year Undergraduate (60 + units)*	\$5500	Additional \$5,000 Unsubsidized \$10,500 Total
Credential	\$5500	Additional \$5,000 Unsubsidized \$10,500 Total
Paralegals	N/A	\$8,500 Sub\Unsub Stafford + Additional \$10,000 Unsubsidized \$18,500 Total
Graduate	N/A	\$8,500 Sub\Unsub Stafford + Additional \$10,000 Unsubsidized \$18,500

Maximum Total from Stafford Loans when you graduate:

- Dependent Undergraduate: \$23,000
- Independent Undergraduate: \$46,000 – No more than \$23,000 of this amount may be in Subsidized Stafford loan.
- Graduate and Professional: \$138,500 – No more than \$65,500 of this amount may be from the subsidized loans; this includes amounts borrowed as an undergraduate.

EFT lenders for the 2005/2006 academic year:

EFT lenders for the Subsidized and Unsubsidized Stafford Loans

Access Group	(800) 282-1550	<u>www.accessgroup.org</u>
All Student Loan Corp	(888) 271-9721	<u>www.allstudentloan.org</u>
Bank of America	(800) 344-8382	<u>www.bankofamerica.com</u>
Bank One of Arizona	(877) 226-5663	<u>www.studentloannet.com</u>
Chase	(800) 242-7339	<u>www.chasestudnetloans.com</u>
CHELA Student Loans	(800) 342-4352	<u>www.chelastudentloans.org</u>
Citibank	(800) 967-2400	<u>www.studentloan.com</u>
College Board/ College Trust	(800) 831-5626	<u>www.collegeboardcorp.com</u>
College Loan Corp	(888) 972-6311	<u>www.collegeloancorp.com</u>
Educaid	(800) 776-2344	<u>www.educaid.com</u>
Key Education Resources	(800) 539-5363	<u>www.keybank.com</u>
Mission Federal Credit Union	(858) 546-2063	<u>www.missiondcu.org</u>
US Bank	(800) 242-1200	<u>www.usbank.com/studentloans</u>
Wells Fargo	(800) 658-3567	<u>www.wellsfargo.com</u>