



Loan Options for Students

- ❖ **Federal loans are simple and flexible-**
 - Eligible as long as you complete a current year FAFSA and are enrolled at least half time
 - Master Promissory Note and Entrance Counseling completed once and valid for 10 years
 - Electronic disbursement is split between fall and spring terms automatically
 - Small origination fee- <https://studentaid.gov/understand-aid/types/loans/interest-rates>
 - First Year Max Eligibility- \$5,500
 - Second Year Max Eligibility- \$6,500
 - Third Year Max Eligibility- \$7,500
 - Fourth Year Max Eligibility- \$7,500
 - Six month grace period that starts the day after you graduate, leave school, or drop below half-time enrollment. Repayment begins the day your grace period ends. Only one grace period is granted.
 - Loan repayment is a standard 10 year term, but other options are available by contacting the loan servicer.
- ❖ **Federal Direct Subsidized Loan-**
 - Complete MPN/Entrance Counseling at www.studentaid.gov
 - No interest is charged on subsidized loans while in school at least half-time and during deferment periods
 - Current interest rate- <https://studentaid.gov/understand-aid/types/loans/interest-rates>
- ❖ **Federal Direct Unsubsidized Loan-**
 - Complete MPN/Entrance Counseling at www.studentaid.gov
 - Interest is charged from time of disbursement during all periods
 - Current interest rate- <https://studentaid.gov/understand-aid/types/loans/interest-rates>
- ❖ **Private Loan Lenders-**
 - FASTChoice Site:
 - <https://choice.fastproducts.org/FastChoice/Welcome.do?configId=1304357314958>
 - Loan applications are available and must be completed online
 - Borrower should use same lender for all years of borrowing so they do not have multiple lenders to repay at time of graduation
 - Apply for the loan for the full academic year and funds will be disbursed equally between the fall and spring terms
 - Submit applications in July for the year to insure that the loan paperwork is received and certified by Loras prior to the first payment due date in August. Loan process can take up to 30 days.
 - Be active in the loan process. Watch for emails requesting information and be timely with completion.

Additional Resources

- ❖ www.studentaid.gov: Get more information about completing Direct PLUS Loan requests and Master Promissory Notes as well as more information about the Direct Loan Program and the aid application process including publications and tools for managing Direct Loans
- ❖ www.nsls.ed.gov: For information about all of your federal student loans and federal grants, visit ED's National Student Loan Data System (NSLDS). Note: NSLDS does not include information about any private loans received.

Loan Options for Parents

- ❖ Direct Parent PLUS Loan-
 - Federal loan available to parents
 - The interest rate is higher than other loans available to undergraduate students
 - Borrowing limits are much higher
 - The only federal loan that requires a credit check
 - Loan is in the parent/borrowers name
 - Cannot be consolidated with student's loans
 - Current interest rate- <https://studentaid.gov/understand-aid/types/loans/interest-rates>
- ❖ Private Loan Lenders-
 - FASTChoice Site:
 - <https://choice.fastproducts.org/FastChoice/Welcome.do?configId=1304357314958>
 - Loan applications are available and must be completed online
 - Borrower should use same lender for all years of borrowing so they do not have multiple lenders to repay at time of graduation
 - Apply for the loan for the full academic year and funds will be disbursed equally between the fall and spring terms
 - Submit applications in July for the year to insure that the loan paperwork is received and certified by Loras prior to the first payment due date in August. Loan process can take up to 30 days.
 - Be active in the loan process. Watch for emails requesting information and be timely with completion.

continue to the next page

Federal Work Study

- ❖ Federal work study is awarded based on need
- ❖ Maximum is \$3,000 per academic year
 - Students can work 15 hours per week when classes are in session
 - Students can work 35 hours per week during academic breaks
- ❖ When a student works, their paycheck can be direct deposited into their bank account or applied to the student account as a payment
- ❖ Federal work study amounts showing on the Financial Aid award letter are NOT guaranteed. The student must work to earn the funds.
- ❖ The money is NOT accounted for in the student account balance or payment plan as there is no guarantee the student will work the hours or have that money put towards their student account balance.
- ❖ As a general rule, students should not rely on work study as the sole source of funds to pay their student account. The first paycheck is not issued until one month after the first payment is due, and that amount is only for 2 weeks of time worked.

KNOW THE LINGO

- ❖ **FAFSA-** Free Application for Federal Student Aid: Used to determine your eligibility for federal financial aid as well as some institutional aid.
- ❖ **MPN-** Master Promissory Note: A legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education.
- ❖ **EC-** Entrance Counseling: Required before you can receive your first Direct Subsidized Loan or Direct Unsubsidized Loan as an undergraduate student.
- ❖ **COA-** Cost of Attendance: Your cost of attendance is the amount needed to attend college per year before financial aid is applied. It may include tuition, fees, room, board, books, and living expenses.
- ❖ **EFC-** Expected Family Contribution: A formula based on income, assets, and family size that estimates how much you, in theory, can afford to pay. Colleges subtract your EFC from the total cost of attendance (COA) to determine how much financial need a student has. Your EFC also determines how much financial aid you may receive from the government.
- ❖ **Need-Based Aid-** Aid is awarded to students based on his/her inability to pay the full cost of attendance. It may include grants, loans, scholarships, and work-study.
- ❖ **Merit-Based Aid-** Financial aid awarded to a student based on his/her academic success.
- ❖ **Grant-** Free money for college that does not need to be paid back. Grants are generally based on financial need.

- ❖ **Loan-** This type of financial aid must be paid back. Loans may be from the federal government, bank, or other sources. Terms and fees vary by lender.
 - ❖ **Private Loan-** A loan obtained in the student's name with a credit-worthy co-signer.
 - ❖ **Parent Loan-** A loan obtained in the parents name. This loan cannot be consolidated with a student's loans.
- ❖ **Work Study-** A program in which students are given a job on campus to help pay for college bills. Federal work-study is awarded based on need.

Checklist Items

- ❖ **MPN and Entrance Counseling-** Students using federal loan eligibility MUST complete the *Master Promissory Note* and *Entrance Counseling* documents at www.studentaid.gov.
 - We cannot disburse federal loan money without these two documents completed.
 - Federal aid will not be calculated into your payment plan or statement balance until completed.
- ❖ **Verification-** If your FAFSA was selected for verification, please make sure you complete the required items in a timely manner.
 - Financial aid will not be calculated into your payment plan or statement balance until all verification items are completed.
 - Student is responsible for making payments as shown online to avoid a service charge.
- ❖ **Private Scholarships-** If you were awarded a private scholarship, please make sure you notify the Financial Planning Office.
 - Wait until you have all scholarship amounts and send one email to financial.planning@loras.edu
- ❖ **Student email-** Please have your student check their Loras email frequently throughout the summer to receive information about other financial aid items that may need to be completed.