

## Frequently Asked Questions

### **What is a subsidized Stafford loan?**

A subsidized Stafford loan is a federally funded loan that is awarded based on a student's financial need. The federal government "subsidizes" the interest on this loan while you are in school or in deferment.

---

### **What is an unsubsidized Stafford loan?**

An unsubsidized Stafford loan is a federally funded loan that is not awarded based on student's financial need. Interest is charged on this loan from the day it is disbursed until it is paid in full.

---

### **Is there a fee for a Stafford loan?**

Yes. There is a 1% fee that is deducted from each disbursement.

---

### **What do I have to do to get my loan funds?**

All borrowers, new or continuing, must complete these steps to receive a Federal Direct Loan:

1. Complete the FAFSA for the appropriate academic year and supply any requested documentation.
  2. After receiving your award letter, you will need to complete a loan application, Online Entrance Counseling and an in-person Financial Aid Loan Workshop.
  3. Complete the Direct Loan Master Promissory Note (MPN)
- 

### **Do I need to be in a specific number of hours to qualify for a loan?**

Yes. **Undergraduate** students must be attending in at least 6 or more credit hours to qualify to receive a student loan.

---

### **What do I need to do to get an in-school deferment form sent to my lender?**

You do not need to do anything. The Registrar's Office automatically notifies National Clearinghouse three times each semester of a student's enrollment. The first notification will be sent approximately two weeks after the semester starts.

---

### **I am transferring at the end of Fall Semester to another institution but I already have loans in place for Spring Semester. Will that loan transfer to my new school?**

No, financial aid does not transfer from one institution to another. You must reapply for aid at your new school. You must also request that your current school cancel your loan for Spring Semester. The new school will not be able to certify a loan for you if you have pending disbursements at your current school.

---

**What is the interest rate?**

Effective July 1, 2011 the interest rates are:

Subsidized Stafford Loan – 3.4% undergraduate

Unsubsidized Stafford Loan - 6.8% undergraduate

---

**How much can I borrow?**

You can find the annual and aggregate (lifetime) loan limits [here](#). However, please refer to your award letter to determine how much you are eligible to borrow.

---

**What can my loan money be used for?**

Any expenses incurred as it relates to your education. This can include, but is not limited to, tuition, fees, books, supplies, transportation, living expenses, etc.

---

**When is my money disbursed?**

You will receive a loan disclosure statement with your scheduled disbursement dates. If your loan is guaranteed before the fee payment deadline date it can be applied towards your tuition. However, any residual funds are not refunded to you until after the semester begins and drop/add has ended.

---

**When do I have to pay my loan back?**

Repayment will start six months after you graduate, leave school or drop below half time enrollment.

---

**What if I only want the loan for one semester?**

Loans are awarded for two semesters at a time, e.g. Fall and Spring, Spring and Summer. However, loans can be awarded for one semester if it is your final semester before graduation (see question below). If you receive loans for Fall and Spring you may be eligible for a one semester loan for Summer if you have remaining eligibility.

---

**My loan is for 2 semesters but I am graduating, what should I do?**

If you are graduating and need a loan only for your final semester of enrollment, your award must be prorated based on your final enrollment. Please contact the Financial Aid Office if you are graduating Fall but have been awarded Fall/Spring or if you are graduating Spring and have been awarded Spring/Summer.

---

**How long does it take to process my request?**

It can take 10 to 15 business days for the Financial Aid Office to process your loan application and transmit the information to the Department of Education. **Please allow additional time for loan requests to be processed during peak times.**

---

**Do I have to complete a Master Promissory Note (MPN)?**

You must sign a new Direct Loan Master Promissory Note if you have not previously borrowed in the Direct Loan Program. You will need your FAFSA pin number to sign the Master Promissory Note (MPN). If you don't know your FAFSA pin number, go to <http://www.pin.ed.gov/>.

---

**Do I need to complete Entrance Counseling?**

Yes, all students will be required to complete the online Entrance Counseling and an in person Financial Aid Loan Workshop. You will not be able to receive your loan funds until you complete entrance counseling sessions.

---

**What happens after I complete my loan application with the Financial Aid Office?**

Your request will be transmitted to the Department of Education. You will need to sign a new Master Promissory Note (MPN) using your FAFSA pin number. If you don't know your FAFSA pin number, go to <http://www.pin.ed.gov/>.

---

**Where can I find information on who services my federal loans?**

Information on all of your federal loan debt, FFEL & DL, can be accessed via the National Student Loan Data System (NSLDS) at <http://www.nsls.ed.gov>

---

**How do I contact the Direct Loan Program?**

The U.S. Department of Education Direct Loan Program Customer Service phone number is 1-800-848-0979.

---