

Update #: 25
Title: **Federal Direct Loan Program**
Type: Updated to include links to information about Direct Student Loan Program
Effective: Immediately (10-28-16)

Federal Direct Loan Program: Student loans are low-interest Federal loans made to students by the U.S. Department of Education through the William D. Ford Federal Direct Loan Program (Direct Loans). Eligibility for Direct Loans is determined by the college and the U.S. Department of Education from the results of the Free Application for Federal Student Aid (FAFSA). Loans must be repaid, with interest. Students begin making payments on student loans six months after graduating, stopping attendance, or attending less than half-time (under six credit hours).

Students are encouraged to borrow only what they need to meet their educational expenses. Students must enroll at least half-time (six or more credit hours) to be eligible for student loans. For more information visit: <https://studentaid.ed.gov/sa/>

Other Helpful Direct Student Loan Program Links:

- [Repayment Plans for Direct Loans](#)
- [Pell and Loan History at the National Student Loan Data System \(NSLDS\)](#)
- [Repaying your loans](#)
- [What to Expect for Direct Loans](#)
- [National Student Loan Data System](#)

Types of Loans include:

Subsidized: for students with demonstrated financial need, as determined by federal regulations. The federal government “subsidizes” the interest, meaning no interest is charged while a student is in school at least half-time, during the grace period, and during deferment periods.

Unsubsidized: not based on financial need; interest is charged quarterly during all periods, even during the time a student is in school and during grace and deferment periods. If unpaid, interest is compounded, meaning the student will accrue interest on the previously unpaid interest after leaving school.

PLUS: unsubsidized loans for the parents of dependent students. PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods.

Loan limits: The maximum amount you can borrow each year in Direct Subsidized and Unsubsidized Loans depends on your grade level and on whether you are a dependent student or an independent student. The following table shows the maximum amount of money you may borrow each academic year in Direct

Subsidized and Unsubsidized Loans as well as the total or aggregate amount you may borrow:

Undergraduate students	Annual Limits	
	Dependent	Independent
1st –year	\$5,500 (\$3,500)*	\$9,500 (\$3,500)*
2nd-year	\$6,500 (\$4,500)	\$10,500 (\$4,500)

Lifetime Limits	
Dependent	Independent
\$31,000 (\$23,000*)	\$57,000 (\$23,000*)

*The numbers in parentheses represent the maximum amount that may be subsidized.

Please note: Loans requested for two semesters are paid out in one disbursement per term; however, loans requested for a single term must be paid out in two disbursements at least 30 days apart. The Financial Aid Office must recheck enrollment and SAP status prior to each disbursement.

