Federal Direct Loan Information

A Federal Direct Loan is a low-interest, fixed-rate loan made to students. Generally, every student who files a Free Application for Federal Student Aid (FAFSA) will be eligible to borrow a Federal Direct Loan. Students may qualify to have a portion of their federal loan eligibility subsidized, based on their financial need as determined by their FAFSA results. A student must be enrolled at least half-time to be eligible to receive a Federal Direct Loan.

Direct Subsidized Loans
The Federal Direct Subsidized Loan is awarded to students who demonstrate financial need as determined by the FAFSA. Interest on a Federal Direct Subsidized Loan is paid by the federal government while a student is enrolled at least half-time, as well as during deferment periods. Repayment begins six months after a student graduates or ceases to be enrolled at least half-time. The interest rate for a Federal Direct Subsidized Loan issued between July 1, 2013 and June 30, 2014 is 3.86%. This interest rate could change for Federal Direct Subsidized Loans issued during the 2014-2015 award year.

Direct Unsubsidized Loans
Federal Direct Unsubsidized Loans are non-need-based loans. Interest begins accruing on the loan at the time of disbursement. The student has the option to make interest payments during the in-school period, or to allow the accrued interest to be capitalized (added on) to the principal balance. Repayment begins six months after a student graduates or ceases to be enrolled at least half-time. The interest rate for a Federal Direct Unsubsidized Loan issued between July 1, 2013 and June 30, 2014 is 3.86%. This interest rate could change for Federal Direct Unsubsidized Loans issued during the 2014-2015 award year.

How Do I Apply for a Federal Direct Loan?
1. Complete the FAFSA online at www.fafsa.gov
2. Complete the Direct Loan Entrance Counseling
   a. Go to www.studentloans.gov
   b. Click Sign In, enter your information, and click Sign In again
   c. Click Complete Counseling
   d. Click Start in the Entrance Counseling column and follow instructions as directed
3. Complete the Direct Loan Master Promissory Note
   a. Go to www.studentloans.gov
   b. Click Sign In, enter your information, and click Sign In again
   c. Click Complete Master Promissory Note
   d. Click Subsidized/Unsubsidized and follow instructions as directed
4. Review your award notification and accept your Federal Direct Loan
   Note: An award notification will typically be sent to a student three to six weeks after completion of steps 1-3. This notification is sent to a student’s email address and will contain instructions to review and accept any Federal Direct Loan eligibility. An award notification will also include any grant and work-study eligibility that a student may qualify for through completion of the FAFSA.

How Much Can I Borrow?

<table>
<thead>
<tr>
<th>Dependent Student</th>
<th>Direct Subsidized Loan</th>
<th>Direct Unsubsidized Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Year Student (&lt;35 earned credits)</td>
<td>$3,500</td>
<td>$2,000</td>
</tr>
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<td>Second-Year Student (35+ earned credits)</td>
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These are general loan limits for an award year. Your loan eligibility may vary from these amounts. Federal Direct Lending currently charges a 1.051% origination fee on Federal Direct Loans. As Federal Direct Loans are indeed loans and will need to be repaid, we recommend borrowing only what you need for educational expenses.