

FACT SHEET – FEDERAL DIRECT PLUS LOAN AND FEDERAL DIRECT STAFFORD LOAN

Federal Direct Parent Loan – parents can borrow up to the cost of education minus financial aid through this parent loan program.

---Fixed interest rate at 7.9 percent for the life of the loan, no prepayment penalty.
Processing fee of 2.5 percent deducted from the loan amount requested, borrow what you need for the full year, disbursed half in the fall, and half in the spring.

Example: \$10,000 loan minus 2.5 percent fee = \$9,750

---Easy application process. Download pre-application from our website and fax it to the Loan office. Once credit is approved, you will be instructed to go on-line to complete a master promissory note, signed electronically with your FAFSA P.I.N. This note will be used for any and all loans that you borrow through this program while your student is at Stonehill College.

---You may select one of several repayment plans –

Begin repayment of principal and interest based on a ten-year repayment, or

Pay interest only, or

Defer principal and interest until six months after your student finishes school.

You will be working directly with the Federal Direct Loan Servicer at 800 848-0979 or www.dl.ed.gov to arrange repayment

Questions??? Contact the Loan Office at Stonehill College – 508 565-1076

Federal Direct Subsidized Loan for students

---Interest at 3.4 percent fixed for the life of the loan. Interest is paid for by the federal Government until six months after the student ceases to be enrolled at least half time. A processing fee of .5 percent is deducted from the loan amount.

Federal Direct Unsubsidized Loan for students

---Interest at 6.8 percent fixed for the life of the loan. Interest is assessed to the student from the date of disbursement, may be paid quarterly or left unpaid until six months after the student ceases to be enrolled. A processing fee of .5 percent is deducted from the loan amount.

All students may borrow through the Federal Direct Loan Programs just by filing a FAFSA. Federal need analysis will determine whether the loan is subsidized or unsubsidized. Loan limits are as follows:

Freshmen \$3,500

Sophomores \$4,500

Juniors and Seniors \$5,500

In addition, Congress has recently authorized an additional unsubsidized loan of \$2,000 for each academic year for all students who wish to borrow this additional loan.