



Federal Direct and PLUS Loans

The purpose of all loan programs is to assist students unable to obtain sufficient support from other sources. They are part of a family of aid known as Self Help Aid. Student loans must be repaid. Therefore, students are highly encouraged to borrow only what they need to cover direct educational expenses.

In order to qualify for assistance under any of the loan programs, the student must complete the Free Application for Federal Student Aid (FAFSA) and the Criswell Supplemental Application for Financial Aid for the appropriate academic year. Both forms are available online.

**Students must be enrolled at least ½ time to be eligible for loans.

Federal Direct Loans

Students who receive Federal Direct loans are required to complete entrance counseling and sign an electronic Master Promissory Note (MPN) before the loan application process can be completed and loan funds posted to any student account.

Exit counseling is required by students upon their graduation or withdrawal from the University. Exit counseling is required by federal regulation and should be completed within 30 days of graduation or upon withdrawal from the University. In addition, exit counseling must be completed if you drop below half-time status.

Group entrance and exit counseling dates will be announced for new incoming and graduating borrowers. A hold will be placed on your account until the counseling requirements have been met.

Direct Subsidized and Direct Unsubsidized Loans

Direct Subsidized Loan means that interest, which accrues on a loan while a borrower is in school, grace, or authorized periods of deferment, is paid by the government while the student maintains eligible enrollment in school. The student must fall within certain income levels (as determined by the FAFSA) to qualify for a subsidized loan.

Direct Unsubsidized Loan means that interest accrues from the date of disbursement while the student is in school. Interest on an Unsubsidized Loan accrues and continues throughout the life of the loan. It is more beneficial to a borrower to have a Subsidized Loan, but there are more rigid eligibility requirements to qualify for a Subsidized Loan.

Both the Federal Direct Subsidized Loan and the Federal Direct Unsubsidized Loan (and their accrued interest) require repayment by the student.

The interest rate under the Federal Stafford Loan program is a fixed rate loan. Browse the Federal Financial Aid Website (link to www.studentaid.ed.gov/portalswebapp/students/English/index.jsp) for more information, including repayment terms, deferment options, consolidation, origination and insurance fees, and other details.

Combined Subsidized and Unsubsidized Annual Loan Limits

Dependent Freshman (Freshman=0-29 hours completed) \$5,500.00	Independent Freshman (Freshman=0-29 hours completed) \$9,500.00
Dependent Sophomore (Sophomore=30-62 hours completed) \$6,500.00	Independent Sophomore (Sophomore=30-62 hours completed) \$10,500.00
Dependent Junior/Senior (Junior/Senior=63+ hours completed) \$7,500.00	Independent Junior/Senior (Junior/Senior=63+ hours completed) \$12,500.00
Graduate Student \$20,500.00	

Federal Direct Parent Loan for Undergraduate Students (PLUS)

Parents may borrow for their dependent undergraduate students under the Federal Direct Parent Loan for Undergraduate Students program (PLUS). The amount borrowed may be up to the cost of attendance (COA) minus other financial aid for each undergraduate student. This is a credit based loan.

The interest rate is a variable rate, or fixed according to when funds were borrowed. Repayment begins within thirty days after the final disbursement of the loan each year. The Department of Education of the Federal Government charges an origination and insurance fee for a PLUS Loan, which will be deducted from the loan proceeds.

To be eligible, parents and students must not currently be in default on any Federal Student Loan, or owe a refund on any federal grant. The parent's credit history is evaluated by the lender prior to disbursement of the loan. If the PLUS Loan is denied, the student may then be eligible to borrow additional funds under the Federal Unsubsidized Loan program. Additional Parent Plus loan information may be obtained at www.studentloans.gov.

Federal Direct Graduate (PLUS)

Graduate students who have exhausted the Stafford Loan eligibility may apply for a Graduate PLUS Loan up to the cost of attendance. Application may be made at www.studentloans.gov.

Receiving Your Loan

Loan Disbursement

Loan funds are normally disbursed into student accounts in equal amounts, per federal guidelines, twice per loan period. EXAMPLE: If the student's loan period consists of the fall and spring semesters, one disbursement will be made in the fall and one in the spring. If the loan period is one semester only (example, summer), then one disbursement is made early in the semester.

Criswell College will disburse to the student any amount exceeding the balance of the student's account by check and will notify student before the check is sent.

Loan Proration

Undergraduate students who are completing their degrees and will be attending only a portion of the academic year will have their loan amounts adjusted (lower), or "prorated," according to federal regulations. Contact the Office of Financial Aid for more information.

Repaying Your Federal Loan

Loan repayment for Direct Loans begins 6 months after student graduates, leaves school, or drops below half-time status; and 9 months after student graduates, leaves school, or drops below half-time status for PLUS loans. The amount of each payment depends on the repayment plan in which the student chooses to participate. For a sample loan repayment schedule, please go to www.finaid.org/calculators/loanpayments.phtml