



Federal Family Education Loan Program 2008-2009 Academic Year

Loan Type	Federal Subsidized Stafford	Federal Unsubsidized Stafford - Dependent	Federal Unsubsidized Stafford - Independent	Federal Grad PLUS	Federal PLUS
Eligible Borrowers	Dependent undergraduates Independent undergraduates Graduate or professional Based on financial need	Dependent undergraduates Not based on financial need	Independent undergraduate* Graduate or professional Not based on financial need	Graduate and professional students	Parents of dependent undergraduates Not based on financial need
Annual Limits	By Grade Level: 1 \$3,500 2 \$4,500 3+ \$5,500 Grad \$8,500	By Grade Level: 1 \$5,500 minus subsidized Stafford awarded 2 \$6,500 minus subsidized Stafford awarded 3+ \$7,500 minus subsidized Stafford awarded	By Grade Level: 1 \$9,500 minus subsidized Stafford awarded 2 \$10,500 minus subsidized Stafford awarded 3+ \$12,500 minus subsidized Stafford awarded ¹ Grad \$20,500 minus subsidized Stafford awarded	Cost of Education minus other financial aid = eligible loan amount	Cost of Education minus other financial aid = eligible loan amount
Aggregate Limits	Undergraduates \$23,000 Graduates \$65,500	Undergraduates \$31,000 no more than \$23,000 can be in subsidized Stafford loans	Undergraduate \$57,500 no more than \$23,000 can be in subsidized Stafford loans. Grad \$138,500** no more than \$65,500 can be in subsidized Stafford loans.	No Cap	No Cap
Interest Rate	Loans to undergraduates disbursed July 1, 2008 – June 30, 2009 have a fixed rate of 6.00%. Loans to graduates disbursed after July 1, 2006 have a fixed rate of 6.80%. Loans made on or after July 1, 1998 and before June 30, 2006 are variable (subject to change every July 1) capped at 8.25%. During in-school, grace and deferment periods the variable interest rate for loans on or after July 1, 1998 and before July 1, 2006 equals the 91-day T-bill plus 1.7%. The variable interest rate from July 1, 2008 to June 30, 2009 is 3.61%. During repayment periods the variable interest rate for loans on or after July 1, 1998 and before July 1, 2006 equals the 91-day T-bill plus 2.3%. The variable interest rate from July 1, 2008 to June 30, 2009 is 4.21%.	Loans disbursed on or after July 1, 2006 have a fixed rate of 6.8% Loans made on or after July 1, 1998 and before June 30, 2006 are variable (subject to change every July 1) capped at 8.25%. During in-school, grace and deferment periods the variable interest rate for loans on or after July 1, 1998 and before July 1, 2006 equals the 91-day T-bill plus 1.7%. The current interest rate until June 30, 2009 is 3.61%. During repayment periods the variable interest rate for loans on or after July 1, 1998 and before July 1, 2006 equals the 91-day T-bill plus 2.3%. The variable interest rate from July 1, 2008 to June 30, 2009 is 4.21%.	Loans disbursed after July 1, 2006 have a fixed rate of 8.50%.	Parent loans disbursed after July 1, 2006 have a fixed rate of 8.50%. Loans made on or after July 1, 1998 and before July 1, 2006 have a variable rate (subject to change every July 1) with a cap of 9.0%. The variable rate equals the 91-day T-bill plus 3.1% The variable interest rate from July 1, 2008 to June 30, 2009 is 5.01%.	
Fees	Up to 1% default fee Loans with a first disbursement made on or after July 1, 2008 have an origination fee of up to 1.0%.	Same as subsidized Stafford	Same as subsidized Stafford	Up to 1% default fee 3% Origination fee	Up to 1% default fee 3% Origination fee

* Or a dependent student whose parent applied for but was unable to obtain a PLUS loan

** Certain eligible health profession students, if determined by their Financial Aid Office, may be eligible for an increased unsubsidized aggregate limit

¹ Including students enrolled in preparatory courses leading to graduate courses or enrolled in courses for teacher certification

Loan Type	Federal Subsidized Stafford	Federal Unsubsidized Stafford - Dependent	Federal Unsubsidized Stafford - Independent	Federal Grad PLUS	Federal PLUS
Loan Payments and Maturities	Borrower has up to 10 years for repayment with a \$600 minimum annual payment; 25 years for borrowers whose first loan was made on or after October 7, 1998 with a balance above \$30,000.	Same as subsidized Stafford	Same as subsidized Stafford	Same as subsidized Stafford	Same as subsidized Stafford
Disbursement	Loan proceeds are sent to the school, generally in at least two disbursements.	Same as subsidized Stafford	Same as subsidized Stafford	Loan proceeds are sent to the school, co-payable to borrower and school, generally in at least two disbursements.	Loan proceeds are sent to the school, co-payable to the parent and school, generally in at least two disbursements.
Repayment	Repayment begins six months after the student drops below half-time study or graduates. Any part of the loan may be prepaid at any time without penalty.	Same as subsidized Stafford. However, interest is payable from the date of disbursement and, if unpaid, will be capitalized to the loan balance after the in-school, grace or deferment period ends.	Same as subsidized Stafford. However, interest is payable from the date of disbursement and, if unpaid, will be capitalized to the loan balance after the in-school, grace or deferment period ends.	First payment is due within 60 days after the date the loan is fully disbursed. A Grad PLUS borrower may receive a deferment while he or she is enrolled on at least a half-time basis.	First payment is due within 60 days after final disbursement. Any part of the loan may be prepaid at any time without penalty. For parent PLUS loans made on or after July 1, 2008, the borrower has the option to postpone repayment until six months after the student ceases to be enrolled at least half-time.

Funding Higher Education: Student Financial Aid Process

1	Apply to schools. Applications are a lot of work, and they may cost money, so make sure you apply to schools you're serious about.
2	Sign up for a Department of Education PIN. If you want to receive federal or state financial aid, you must complete the Free Application for Federal Student Aid (FAFSA). The best way to do this is online at fafsa.ed.gov , but you need to register for a PIN first. Go to pin.ed.gov to get started. And don't lose your PIN! You'll need it for the next four years.
3	Complete the FAFSA. You can get an early estimate of your eligibility using the FAFSA4caster online at fafsa4caster.ed.gov . Much of the information that you enter will populate your online FAFSA application, which is used to calculate your Expected Family Contribution (EFC) and how much financial aid you may receive.
4	The results of the FAFSA are summarized in a Student Aid Report (SAR). A copy of the SAR is sent to you and data from the SAR is sent to up to six schools of your choice (more if you pay a fee).
5	Carefully review your SAR and correct any errors. Consider what the SAR is telling you. The SAR can be discouraging, especially if your EFC seems really high. But keep in mind that schools use the data in the SAR as a guide. They have their own process for determining financial aid packages.
6	Review acceptances. Hopefully, you'll receive at least one acceptance letter, maybe more. If you receive more than one, take your time to review your options.

7	Review financial aid packages. Acceptance letters are nice, but turn your attention to financial aid packages as soon as possible. If your top school gives you the best deal, that's great. If not, then evaluate the pros and cons of each offer objectively. And remember: loans need to be paid back. So if School A and School B cost the same after considering aid, but School B requires bigger loans, the costs are not equal. In fact, School B is more expensive, even before considering interest on the loans.
8	Select a school. Pick a school, sign the forms, and mail them off. Don't miss any deadlines, or you'll lose your spot. And be sure to enjoy the moment.
9	Accept the aid package. Be sure to accept the aid package from your school as soon as possible. If you can, accept your aid package online and avoid the mail altogether. Don't feel obligated to accept all the financial aid offered, especially loans you don't need. You want to have as little debt as possible when you graduate.
10	Apply for loans. Depending on your school, the loan application process may be handled when you accept the aid package. If not, contact a lender as soon as possible to guarantee your loan is disbursed on time.
11	Once the loan application is complete, the school will send a school certification to your lender.
12	Once the loan is guaranteed, you will receive a Notice of Guarantee and Disclosure outlining the amount of the loan, disbursement dates, and interest rate.