

2007 – 2008
Federal Family Education Loan Program (FFELP)



Students who need loans in order to meet the cost of their education should first consider loans in the Federal Family Education Loan Program (FFELP). FFELP loans include the Stafford Loan (Subsidized and Unsubsidized), the Federal PLUS Loan for parents, and the Federal PLUS Loan for graduate and professional students.



FIU Financial Aid Website: www.finaid.fiu.edu

Information – Federal Stafford Loan

Federal Stafford Loans are for students who qualify for federal financial aid.

Eligibility

- Student must complete FAFSA application.
- The subsidized Stafford Loan is awarded based on financial need.
- The borrower/student must be a U.S. citizen, U.S. national, or permanent resident.
- Student must be enrolled at least half-time and meet satisfactory academic progress requirements. Refer to our website under Terms and Conditions: www.finaid.fiu.edu
- Students who do not qualify for a subsidized Stafford Loan (need-based) may apply for the unsubsidized Stafford Loan.
- Some students may receive a combination of subsidized and unsubsidized loans up to the maximum for their grade level.

Interest Rate

For loans disbursed on or after July 1, 2007, the interest rate is fixed at 6.80%.

Fees

- An origination fee of 1.0% to 2.0% may be charged by the lender.
- A federal default fee of 1.00% may be charged by the guarantee agency.

Annual Loan Amounts

Undergraduate Dependent Students (combined subsidized and unsubsidized)

- Freshman \$3,500
- Sophomore \$4,500
- Junior & Seniors \$5,500

Undergraduate Independent Students

- Freshman \$7,500 (no more than \$2,625 subsidized)
- Sophomore \$8,500 (no more than \$3,500 subsidized)
- Junior & Seniors \$10,500 (no more than \$5,500 subsidized)

Graduate/Professional Students

- \$20,500 (no more than \$8,500 subsidized)

Aggregate Loan Amounts

- Undergraduate dependent students \$23,000
- Undergraduate independent students \$46,000 (no more than \$23,000 in subsidized)
- Graduate students \$138,500 (no more than \$65,500 in subsidized)

Grace Period

Borrowers may delay repayment of principal and interest for a period of six months after they graduate or enrollment drops below half-time status.

Repayment

- Subsidized Stafford Loan: No payments are due while the student is enrolled in school at least half-time, during the six-month grace period, or during any approved deferment periods. The federal government pays (subsidized) the interest for students during these times.
- Unsubsidized Stafford Loan: The loan terms are the same as terms for the subsidized Stafford Loan with one exception: The borrower is responsible for the interest that accrues while the student is in school. Students may choose to capitalize the interest (add the accrued interest to the principal loan amount) and make payments during enrollment and the grace period.
- The standard repayment term is 10 years with a \$50 minimum monthly payment.
- Borrowers may choose from several payment plans including Standard, Graduated, Income-Sensitive, and Extended. Your lender can provide details for each repayment option.



Information – Federal PLUS Loan for Parents

The Federal PLUS Loan for parents is a low-interest, government guaranteed loan that parents of dependent undergraduate students can use to help pay for their student's education. Parents can use it to cover the entire cost of education including tuition room and board, books and fees, and other expenses.

In addition, parents can combine their PLUS Loan with the student's Stafford Loan. The loan can be used to cover the Expected Family Contribution (EFC), the projected amount of money your family is expected to contribute to your education costs.

Eligibility

- Borrower (parent) must have no adverse credit.
- Borrower must be a U. S. citizen, U. S. national, or permanent resident.
- Borrowers must submit proof of US Citizenship to the FIU financial aid office.
- Student must be enrolled at least half-time and meet satisfactory academic progress requirements. Refer to our website under Terms and Conditions: www.finaid.fiu.edu

Interest Rate

For loans disbursed on or after July 1, 2007, the interest rate is fixed at 8.50%.



Fees

- An origination fee of 3.00% may be charged by the lender.
- A federal default fee of 1.00% may be charged by the guarantee agency.

Annual Loan Amounts

The annual loan limit is the cost of attendance, minus other financial aid, as certified by the student's school.

Aggregate Loan Amounts

There is no aggregate loan limit on the PLUS Loan for parents.

Grace Period

There is no grace period. Repayment begins after the final disbursement. Deferment and forbearance options are available, and the loan is eligible for consolidation.

Your lender can provide details.

Repayment

- Repayment begins on the date the loan is fully disbursed.
- Standard repayment term is 10 years with a \$50 minimum monthly payment.
- Borrowers may choose from several payment plans including Standard, Graduated, Income-Sensitive, and Extended. Your lender can provide details for each repayment option.



Information – Federal PLUS Loan for Graduate and Professional Students

The Federal PLUS Loan for graduate and professional students is a loan in addition to the Federal Stafford Loans students apply for. It does not reduce the eligibility for the Federal Stafford Loan. The amount borrowed by the applicant is limited to the cost of attendance minus other financial aid including Federal Stafford Loans.

Borrowers must have applied for their annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Stafford Loan Program before applying for a Federal PLUS Loan for graduate and professional students.

Eligibility

- Borrower must complete the FAFSA
- Graduate student must be enrolled at least half-time and meet satisfactory academic progress requirements. Refer to our website under Terms and Conditions: www.finaid.fiu.edu
- Borrower must be a U. S. citizen, U. S. national, or permanent resident
- Borrower must first apply for annual loan maximum eligibility under the Federal Stafford Loan program
- Borrower must meet credit requirements

Interest Rate

For loans disbursed on or after July 1, 2007, the interest rate is fixed at 8.50%. Lenders may offer a reduced interest rate.

Fees

- An origination fee of 3.00% may be charged by the lender.
- A federal default fee of 1.00% may be charged by the guarantee agency.

Annual Loan Amounts



The annual loan limit is the cost of attendance, minus other financial aid, as certified by the student's school.

Aggregate Loan Amounts

There is no aggregate loan limit on the PLUS Loan for parents.

Grace Period

There is no grace period; however, borrowers are not required to make payments while enrolled in school at least half-time. Your lender can provide details.

Repayment

- Repayment begins on the date the loan is fully disbursed; however, the loan will be deferred while the borrower is enrolled at least half-time.
- Borrower can request forbearance to align repayment with Federal Stafford Loans
- The standard repayment term is 10 years with a \$50 minimum monthly payment.
- Borrowers may choose from several payment plans including Standard, Graduated, Income-Sensitive, and Extended. Your lender can provide details for each repayment option.

Selecting a Lender

Choosing a student loan lender is an important decision. To assist first-time borrowers in making the decision, FIU recommends that you borrow from one of our Lending Partners, since they are committed to providing excellent customer service and they offer borrower benefits to FIU students. If you previously borrowed federal loans from a lender, we recommend that you continue to borrow from the same lender in order to manage your student loan debt most efficiently.

Visit FIU's financial aid home page at www.finaid.fiu.edu and click on the Loan Information link to view a listing of our Lending Partners and research the benefits offered by each lender.

Checklist for Applying for a Federal Stafford Loan

- Complete the FAFSA (Free Application for Federal Student Aid)

- Go online to accept financial aid awards on PantherSoft by clicking on the Finances link.
- First time borrowers of Stafford & Graduate Plus Loan at FIU must select a lender and complete entrance counseling; these links can be found below your online financial aid award in PantherSoft.
- Complete the Master Promissory Note (MPN)
- Enroll for minimum of six credits (undergraduate) or five credits (graduate)

Applying for a Federal PLUS Loan for Parents

- Select an FIU Lending Partner and apply for a PLUS Loan for Parents
- Complete a PLUS Loan MPN with your lender if approved
- Dependent student must enroll in at least six credits and meet satisfactory academic progress requirements.
- Borrowers must submit proof of US Citizenship to the FIU financial aid office.

Applying for a PLUS Loan for Graduate and Professional Students

- Before a PLUS Loan for Graduate and Professional Students is awarded, complete a FAFSA application.
- Select an FIU Lending Partner and apply for a PLUS Loan for Graduate and Professional Students.
- Complete a PLUS Loan MPN with your lender if approved.
- Submit proof of U.S. citizenship to the FIU financial aid office (Borrower must be a U.S. citizen or an eligible non-citizen.)

For more information about Stafford, PLUS Loan for parents, and PLUS Loan for graduate and professional students, please visit www.finaid.fiu.edu.