

# LOAN DESCRIPTIONS

## PELL GRANT

The Pell Grant is the largest federal grant program offered that is designed to assist students from low-income households. A Federal Pell Grant, unlike a loan, does not have to be repaid, except under certain circumstances. To qualify for a Pell Grant, a student must demonstrate financial need through the Free Application for Federal Student Financial Aid (FAFSA®) form.

## FEDERAL DIRECT LOANS

Under the Federal Direct Loan (FDL) program the school certifies eligibility for each loan and sends the loan details to the U.S. Department of Education. Loan proceeds are disbursed to the school electronically and then posted to the student's account. Students must repay the loan with interest to the servicer assigned by the U.S. Department of Education after the loan is disbursed. Eligible students will receive estimated student loan amounts based on FAFSA submission and the standard need-analysis formula. The estimate will include student loan eligibility for the amount necessary to cover direct institutional costs. Students interested in borrowing in excess of direct costs may request additional funds by contacting the financial aid office. Students and parents borrowing Federal Direct Parent Loans, must complete and submit a Master Promissory Note (MPN) to the Department of Education before loans will be processed. First time student loan borrowers must also complete loan entrance counseling prior to funds being disbursed. A description of the terms and conditions for borrowers of federal education loans is available at [www.studentaid.gov](http://www.studentaid.gov)

### **Federal Subsidized Loan:**

Federal Direct Subsidized loans are available to undergraduate students with financial need. The interest is paid by the federal government while students are in school. Interest begins accruing at the time students cease full-time enrollment. Regular payments begin six months after the student ceases enrollment. A fixed interest rate is established annually by the U.S. Department of Education.

### **Unsubsidized Loans:**

Unsubsidized Direct loans are available for students to borrow for additional education costs. With the exception of demonstrating financial need and undergraduate status, borrowers must meet all eligibility criteria of the Federal Subsidized Direct loan program.

# LOAN DESCRIPTIONS

**Unsubsidized Loans Continued:**

Interest payments begin immediately after the loan is fully disbursed or may be added to the principal balance. Generally, you may choose to make interest payments on the loan while you are in school or have the interest added to your principal balance (capitalized) when your repayment schedule begins. Regular payments begin six months after the student ceases enrollment. Interest rates are fixed and established annually by the U.S. Department of Education.

## PARENT PLUS LOANS

Federal Parent Loans for undergraduate students provide additional funds for credit-worthy parents to help pay for students' educational expenses. If a parent has no credit or a poor credit history, he/she may still qualify for a loan by applying with a credit-worthy endorser. They can be combined with other financial aid resources and cannot exceed the student's cost of education. Interest rates are fixed and established annually by the U.S. Department of Education. Repayment begins immediately after graduation.

**HAVE ANY QUESTIONS ABOUT WORKING WITH US?**

Feel free to reach out!

*Pamela Bruce*

(316) 260-8228

p.bruce@samihalasehinstitute.com