

INFORMATION ABOUT YOUR FEDERAL DIRECT LOAN

Subsidized and Unsubsidized

Based on the information you provided on the *Free Application for Federal Student Aid (FAFSA)*, you have been awarded a William D. Ford Federal Direct Loan. The following information will assist you in understanding the terms and conditions involved in borrowing under this loan program and in determining the amount you wish to borrow. After you read and understand this information,

If you wish to **ACCEPT** the Federal Direct Loan option on your E-Z ARTS Web Services Award Notification:

- Log onto E-Z ARTS Web Services:
 - Click on *Financial Aid*
 - Click on *Award*
 - Click on *Award for Aid Year*
 - Choose the correct year from the drop down box
 - Click *Submit*
 - Click on *Accept Award Offer* tab
 - Choose “*accept*” from the drop down box next to the Federal Direct Loan award.
 - If you wish to borrow a lower amount than offered, enter the amount you wish to borrow for the ENTIRE school year; it will be disbursed in two equal parts, one half each semester.

- ▶ **If this is your first year borrowing at UNCSA**, you will be required to complete an **electronic Master Promissory Note (eMPN)** for your loan. You may complete the eMPN online at studentloans.gov. You must complete the eMPN prior to any loans being credited to your student account. (Since the eMPN is a multi-year note, you will need to complete the MPN only the first year you borrow through the Direct Loan Program at UNCSA.)
- ▶ **As a first time borrower** you will also be required to complete **Entrance Counseling** before the first disbursement of your loan can be credited to your student account. Entrance Counseling may be completed at studentloans.gov.

Eligibility Requirements

To be eligible to receive a Federal Direct Subsidized Loan, you must:

- Complete a valid electronic Master Promissory Note (eMPN), (available at studentloans.gov)
- Be accepted for enrollment in a degree or diploma program at the undergraduate or graduate level
- Be registered at least half time
- Not be in default on any other type of student loan
- Not owe a repayment on a student grant
- Complete "Entrance Counseling," as described in the box above.

Loan Fees

- A loan fee of 1.066% of the gross loan amount is deducted before the loan is disbursed.
- The net loan amount is credited to your student account in equal disbursements for each term you attend.
- You are responsible for repaying the gross loan amount.

Interest Rates & Repayment

Direct Subsidized Loan	Direct Unsubsidized Loan
<ul style="list-style-type: none"> • The U. S. government pays all of the interest while you are enrolled at least half time in a degree or diploma program, and during all eligible periods of deferment. • For <i>Undergraduate Students</i> the interest rate is fixed at 5.05% (for loans first disbursed between July 1, 2018 and June 30, 2019) • Repayment of principal and interest begins six months after you cease to be enrolled at least half time in a degree or diploma program. • There are different repayment options available. A full explanation will be given at the time of Entrance and Exit Counseling. 	<ul style="list-style-type: none"> • You are responsible for all interest costs on a Federal Direct Unsubsidized Loan. • For <i>Undergraduate Students</i> the interest rate is fixed at 5.05% (for loans first disbursed between July 1, 2018 and June 30, 2019) • For <i>Graduate Students</i> the interest rate is fixed at 6.60% (for loans first disbursed between July 1, 2018 and June 30, 2019) • Repayment of interest (only) begins 60 days after the loan is disbursed, unless you choose to "capitalize" the interest. Repayment of capitalized interest is deferred because it is added to the loan principal. • Repayment of <i>principal</i> is deferred until 6 months after you cease to be enrolled at least half time in a degree or diploma program. • There are different repayment options available. A full explanation will be given at the time of Entrance and Exit Counseling.

For more information regarding Federal Subsidized and Unsubsidized loans, please visit:

<https://studentaid.ed.gov/types/loans/subsidized-unsubsidized>

Exit Counseling

- Upon graduation or withdrawal from school, Exit Counseling is required of **all student loan borrowers**. Borrowers who are candidates for graduation will be notified prior to graduation regarding Exit Counseling.