

# Student Loan FAQ

## Federal Loans:

### **Am I eligible for federal loans?**

Federal loan eligibility is determined by the FAFSA. You should complete a FAFSA every year you would like to have the option to borrow a loan. Subsidized loans are only available to students determined to have financial need not already met with scholarship funding. Unsubsidized loans do not require students to demonstrate financial need. Subsidized loans have the interest paid for by the government while you are enrolled in school at least half-time, while unsubsidized loans accrue interest even while you are in school.

### **How much can I borrow?**

Federal subsidized and unsubsidized loans have limits as to how much you can receive each year, based on your year in school. Information for dependent and independent loan borrowers can be found at [studentaid.gov](http://studentaid.gov). The financial aid office will list your federal loan eligibility on your financial aid award letter. Remember to practice smart borrowing and only take out what you need.

### **How do I receive my federal loan(s)?**

Mid-June students will begin receiving an email with instructions on how to accept or decline your federal loan(s) in Banner. Your federal loan(s) are sent directly to the school. Loans do not disburse (pay) to your account until just before the start of the semester, however, first time borrowers have a few items to complete before their loans will post to their account:

- Master Promissory Note (first-time borrowers)
- Entrance Loan Counseling (first-time borrowers)
- Student Loan Acknowledgement \* (optional)

### **How do I change my loan amount?**

If you have already accepted or declined your federal loans in Banner and need to change the amount, please email the financial aid office with your name, Banner ID number, and what changes you wish to make. We can return federal loans on your behalf up to 120 days from the date they were disbursed. Only the student can make changes to their student loans-parents may not request a change to their student's federal loan.

### **When do I start repaying my loans?**

Federal student loans have a 6-month grace period. Six months after you graduate, withdraw, or fall below half-time enrollment, you will be required to start repaying your federal loans. While you are not required to make payments towards your loan(s) while in school, it is always a good idea. Doing so can save you money in the long term, especially if you have unsubsidized loans, since they are always accruing interest.

### **Who is my loan servicer?**

You can find your loan servicer information by logging in using your FSA ID (what you use to complete FAFSA) at [studentaid.gov](http://studentaid.gov) under the "dashboard" section.

### **How do I know how much I've borrowed?**

The best way to review how much you have borrowed, and how much interest has accrued, is to log in to [studentaid.gov](http://studentaid.gov) to review your loan details. Every year when you complete the student loan acknowledgment, you will also be asked to review your current borrowing.

## **Private Loans:**

### **When Should I apply?**

We recommend to begin applying for a private loan about 1 month before the loan is needed. Once your application has been approved and the loan has been certified by the school, funds typically take about 2 weeks to arrive. Loans certified prior to the start of the semester will have a disbursement date just before the start of the term.

### **Can I apply for a loan for the whole year?**

Yes! You have the option to apply for a loan for a single term, or for the academic year. When applying for a loan for the full academic year, the amount is split in half between semesters; this ensures you have your costs covered in advance for the year. Unless you anticipate having very different costs between semesters (ex: studying abroad one term) it is recommended to use the academic year as your loan period (fall and spring semester).

### **How much can I borrow?**

Students can borrow up to their remaining loan eligibility for the year (this is viewable in Banner). Some lenders have limits as to how much a student can borrow yearly or overall (aggregate), while others do not. We can never approve or authorize financial aid that exceeds your cost of attendance. If you request a loan that when combined with your other aid exceeds your cost of attendance, we will reach out to you to adjust the loan amount. Remember to practice smart borrowing and only take out what you need. It is recommended that students first exhaust all other federal aid options before pursuing a private loan.

### **Do I need a cosigner?**

For many private lenders, technically no. However, students often lack sufficient income, credit score, and credit history to qualify for a loan on their own. In addition, a creditworthy cosigner can help to receive better interest rates.

### **What is the interest rate?**

This varies by lender, but all lenders will advertise their fixed and/or variable rates. Credit worthiness can play into what interest rate you receive (generally speaking: higher interest rates for poor credit, lower interest rates for excellent credit).

### **When do I start repaying my loans?**

Many private lenders provide several options for loan repayment such as deferred (typically after you graduate), interest-only, a partial monthly amount (ex: \$25), or principal and interest (full monthly payment). During your application process, you will be able to view repayment plans. Be aware that some lenders may not provide as many options and may require payment even while in school.

### **How do I change how much I borrow?**

If you realize you've requested a loan that is too large, please contact the financial aid office. We can return part/all your private loan that you do not need. This is a good option to help ensure you are only borrowing what you need and reduce what you owe. If you realize you have requested too little, you will need to contact your lender to apply for additional funds. Students can request changes to their student loans, parents can request changes to a parent loan.