

# LOANS

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1. Federal Direct Loans/Federal PLUS Loans are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education rather than a bank or other financial institution. The FAFSA serves as the application for the loan but borrowers must complete a master promissory note and complete entrance and exit counseling. Students must enroll in at least half-time (6 hours) from their active degree program. Types of federal loans include:
  - Direct Subsidized Loans: for students with demonstrated financial need, as determined by federal regulations; no interest is charged while a student is in school at least half-time.
  - Direct Unsubsidized Loans: students need not demonstrate financial need; interest is charged during all periods, even during the time a student is in school and during grace/deferment periods.
  - Direct PLUS Loans: unsubsidized loans for the parents of dependent students and for graduate/professional students; interest is charged during all periods.
2. Alternative loan programs are private loans that provide funds for students who are unable to meet the cost of tuition and related college expenses. Students do not have to demonstrate financial need; however, the amount of federal aid for which students are eligible for depends on the student's assigned cost of attendance. Students may borrow an amount up to the school's cost of attendance less other financial aid.