

	Subsidized / Unsubsidized Stafford Loan	Additional Unsubsidized Stafford Loan
Program Description	<ul style="list-style-type: none"> • Low interest loans designed to provide students with additional funds for college. • For subsidized Stafford Loans the federal government pays (subsidizes) the interest which accrues during in-school, grace and deferment periods. • For unsubsidized Stafford Loans the interest which accrues during in-school, grace, and deferment periods may be paid by the student or capitalized*. Students are not required to make payments on Stafford Loans until after their in school and grace periods are over. • These are loans that must be repaid. 	<ul style="list-style-type: none"> • A low interest loan designed to provide students with additional funds for college. The federal government does not pay (subsidize) the interest which accrues during in-school, grace and deferment periods. • The unsubsidized Stafford Loan can be borrowed in conjunction with a subsidized Stafford as long as the maximum annual or aggregate loan limit for Federal Stafford Loans has not been exceeded. • These are loans that must be repaid.
Eligibility	<ul style="list-style-type: none"> • Eligibility for subsidized portions of this loan is need-based. • Eligibility for unsubsidized portions of this loan are not need-based but amounts must be within student's cost of attendance. • Enrolled at least half time (6 credits or more) 	<ul style="list-style-type: none"> • Eligibility is not need-based. • Independent students are eligible. Dependent students whose parents are denied the Federal Parent PLUS Loan are eligible to apply. • Enrolled at least half time (6 credits or more)
Annual Loan Limits **	\$3,500 Freshman \$4,500 Sophomore \$5,500 Junior/Senior	\$ 4,000 Freshman \$ 4,000 Sophomore \$ 5,000 Junior/Senior
Lifetime Loan Limit	\$23,000 for Undergraduates	\$46,000 for Undergraduates (subsidized and unsubsidized combined)
Repayment	Begins 6 months after graduation or when the student drops below half-time (6 credits).	
Repayment Terms	Up to 10 Years	
Fees***	1.5% federal origination fee** 1% guarantee fee (HESC pays this fee for you)	
Disbursement	Via electronic funds transfer (EFT) directly to school for participating lenders. Non EFT participating lenders will disburse via paper check.	
Interest Rate	Fixed at 6.8%	

* When capitalized, most lenders add the interest to the principal once at repayment.

** All loan limits apply to loans made on or after July 1, 2007. Origination and insurance (guarantee) premiums are deducted from all loan proceeds before disbursement. Loan amounts are distributed in multiple disbursements according to school's schedule.

*** Some lenders waive this 1.5% fee as part of their repayment benefits for students. See 'Comparison' on page 4. Origination fees will decrease to 1% in 2008-09, to .5% in 2009-10, and 0% in 2010-11.

PLEASE NOTE: To be eligible for Stafford Loans, borrowers must be U.S. citizen or permanent legal residents matriculated in a degree granting programs, and enrolled in at least six credits each term in the loan period (summer I and II can be combined). In addition, male students must satisfy requirements under the Selective Service Act. If you are in default on a prior loan or owe a refund of grant money, you will not be able to borrow further. Loan awards cannot exceed the cost of education. A federal needs analysis document must be filled out before a loan application can be processed. If you have not already done so you should complete a Free Application for Federal Student Aid (FAFSA) form.