



Information About Federal Loans Included in Your Financial Aid Award

Understanding your Federal Direct Loans

The *William D. Ford Federal Direct Loan (Direct Loan) Program* is the largest federal student loan program. Under this program, the U.S. Department of Education is your *lender*. The Direct Loan Program consists of Subsidized, Unsubsidized and PLUS loans. Visit <https://studentaid.ed.gov/sa/types/loans#types> for more information on the different Direct Loan types.

Based on the student's FAFSA report, the Financial Aid Office will determine the maximum amounts and types of loans for which the student and parents may apply. Loan funds cannot be disbursed until all necessary requirements are met. If all requirements have not been completed, loan amounts will not be able to be used to defer UNCG bill charges. You must notify the Financial Aid Office in writing if any changes need to be made to your loans after they have been web accepted.

Know Your Federal Student Loan Limits

Listed below are the limits on the amount in Federal Direct Subsidized and Unsubsidized loans that you may be eligible to receive each academic year (annual loan limits) and the total amounts that you may borrow for undergraduate and graduate study (aggregate loan limits).

	Grade Level	Maximum Subsidized Amount	Unsubsidized Amount	Combination Total
Dependent Undergraduate (excluding student whose parents have been denied a PLUS loan)	Freshman	\$3,500	\$2,000	\$5,500
	Sophomore	\$4,500	\$2,000	\$6,500
	Junior/Senior	\$5,500	\$2,000	\$7,500
Dependent Aggregate Loan Limit:	\$31,000— no more than \$23,000 of which can be subsidized			
Independent Undergraduate (& Dependent Undergraduate with a parent PLUS denial)	Freshman	\$3,500	\$6,000	\$9,500
	Sophomore	\$4,500	\$6,000	\$10,500
	Junior/Senior	\$5,500	\$7,000	\$12,500
Independent Aggregate Loan Limit:	\$57,500— no more than \$23,000 of which can be subsidized			
Graduate Student (& Dependent Undergraduate with a parent PLUS denial)	Annually	n/a	\$20,500	\$20,500
	Graduate Aggregate Loan Limit:	\$138,500— no more than \$65,500 of which can be subsidized		

Subsidized Loan Time Limit

The *Federal Direct Subsidized Loan* is awarded according to demonstrated financial need. Interest is paid by the federal government as long as a student is enrolled at least half time at the university. The student must begin repayment of the loan six months after leaving school or dropping below half time.

If you are a first-time Federal Direct Subsidized Loan borrower on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. If this limit applies to you, you may not receive Direct Subsidized Loans for more than 150% of the length of your program. This is called your “maximum eligibility period.” Your maximum eligibility period is generally based on the length of your current program.

For example, if you are enrolled in a four-year bachelor’s degree program, the maximum period for which you can receive Direct Subsidized Loans is six years (150% of 4 years = 6 years). If you are enrolled in a two-year *associate degree* program, the maximum period for which you can receive Direct Subsidized Loans is three years (150% of 2 years = 3 years). Because your maximum eligibility period is based on the length of your current program of study, your maximum eligibility period can change if you change to a program that has a different length. Also, after changing program length, the Direct Subsidized Loans you received for the earlier program will generally count toward your new maximum eligibility period.

Certain types of enrollment may cause you to become responsible for the interest that accrues on your Direct Subsidized Loans when the U.S. Department of Education usually would have paid it. More information and examples of enrollment patterns can be found at <https://studentaid.gov/app/directSubsidizedLoanTimeLimitation.action>

Repayment Information

Your Borrower Rights and Responsibilities

- You must use your federal student loan for educational expenses only.
- Your loan holder must give you details about your federal student loan before it is disbursed and again when it's time to start paying your federal student loan.
- You must tell your loan holder any time you drop below half-time enrollment or change schools.
- You must tell your loan holder if you change your name, address, phone number, social security number, references or driver's license number.
- Before you leave school, you need to tell your loan holder your permanent address, the name and address of your expected employer (if known), and the address of your nearest relative.
- You must repay your federal student loan, plus interest, even if you did not finish your program, did not finish your program in the regular time allotted for program completion, you are unable to get a job after you finish, or if you are unhappy with or do not get the education or other services you purchased from the school.
- Your loan holder may sell your federal student loan or use a servicer to manage your account. If the federal student loan is sold and the address where you send payments changes, you'll be notified of the name, address and phone number of the new loan holder.
- You are entitled to a deferment or forbearance of your federal student loan payments in certain situations. Contact your loan holder for the details.
- You may prepay your federal student loan at any time without penalty.

What Federal Student Loan Borrowers Need to Know

- You need to keep accurate records of your federal student loans.
- Keep your copy of the signed Master Promissory Note.
- Open, read and maintain any loan information you receive from your school or loan lender.
- Don't ignore your loan payments.
- When having difficulty making your scheduled payments, contact your loan lender to discuss repayment options.

Repayment Information

Get Your Loan Information

The Federal Student Aid website provides specific information on your federal loans. To access this information, go to <https://studentaid.gov> login with your FSA ID and then look under the "My Aid" section under the drop down area below your name.

Borrower Grace Periods

After you graduate, leave school, or drop below half-time enrollment, you have a period of time before you have to begin repayment. This "grace period" will be **Six months** for a Federal Stafford Loan (Direct Loan Program or Federal Family Education Loan (FFEL) Program).

Loan Interest Rate Information:

If you receive a federal student loan, you will be required to repay that loan with interest. It is important to understand how loan interest and fees are calculated because these factors will impact the amount you will be required to repay. For more information about current interest rates and how interest rates are calculated for federal student loans refer to <https://studentaid.gov/understand-aid/types/loans/interest-rates>.

PLUS Borrowers—The repayment period for all PLUS Loans begins on the date the loan is fully disbursed, and the first payment is due within 60 days of the final disbursement. However, a graduate student PLUS Loan borrower (as well as a parent PLUS borrower who is also a student) can defer repayment while the borrower is enrolled at least half-time, and, for PLUS loans first disbursed on or after July 1, 2008, for an additional six months after the borrower is no longer enrolled at least half-time. Interest that accrues during these periods will be capitalized if not paid by the borrower during the deferment. Parent PLUS Loan borrowers whose loans were first disbursed on or after July 1, 2008, may choose to have repayment deferred while the student for whom the parent borrowed is enrolled at least half-time and for an additional six months after that student is no longer enrolled at least half-time. Interest that accrues during these periods will be capitalized if not paid by the parent during the deferment.

Make Your Payments on Time

Your loan servicer will provide information about repayment and will notify you of the date loan repayment begins. It is very important that you make your **full** loan payment **on time** either monthly (which is usually when you'll pay) or according to your repayment schedule. You have to pay back your student loans.

Repayment Plans

There are several repayment plans that are designed to meet the different needs of individual borrowers. The amount you pay and the length of time to repay your loans will vary depending on the repayment plan you choose. Go to [Repayment Plans and Calculators](#) for more information about the various repayment plans and to calculate your estimated repayment amount under each plan.

If you're not sure who your loan servicer is, you can look it up on <https://studentaid.gov> or call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243; TTY 1-800-730-8913). If you have specific questions about repaying FFEL, Direct, or Perkins Loans, contact your loan servicer. In the case of Perkins Loans, your servicer will be the school that made the loan.

Electronic Payment

In some cases, you might be able to reduce your interest rate if you sign up automatic debit. To learn more, go here [Electronic Payment](#).

Trouble Making Payments

If you're having trouble making payments on your loans, contact your loan servicer as soon as possible. Your servicer will work with you to determine the best option for you. Options include:

- Changing [repayment plans](#).
- Requesting a [deferment](#)—If you meet certain requirements, a deferment allows you to temporarily stop making payments on your loan.
- Requesting a [forbearance](#)—If you don't meet the eligibility requirements for a deferment but are temporarily unable to make your loan payments, then (in limited circumstances) a forbearance allows you to temporarily stop making payments on your loan, temporarily make smaller payments, or extend the time for making payments.

If you stop making payments and don't get a deferment or forbearance, your loan could go into default (see Default section), which has serious consequences.

Default

If you default, it means you failed to make payments on your student loan according to the terms of your promissory note, the binding legal document you signed at the time you took out your loan. In other words, you failed to make your loan payments as scheduled. Your school, the financial institution that made or owns your loan, your loan guarantor, and the federal government all can take action to recover the money you owe. Here are some consequences of default:

- National credit bureaus can be notified of your default, which will harm your credit rating, making it hard to buy a car or a house.
- You will be ineligible for additional federal student aid if you decide to return to school.
- Loan payments can be deducted from your paycheck.
- State and federal income tax refunds can be withheld and applied toward the amount you owe.
- You will have to pay late fees and collection costs on top of what you already owe.
- You can be sued.

[Department of Education Default Resolution Group Web](#) - For more information on [default](#) and to learn what actions to take if you default on your loans.

In certain circumstances, your loan can be cancelled/discharged. Read about cancellation provisions here [Loan Cancellation \(Discharge\)](#)

[Cancellation and Deferment Options for Teachers](#) - If you're a teacher serving in a low-income or subject-matter shortage area, it may be possible for you to cancel or defer your student loans. Find out whether you qualify.

[Public Service Loan Forgiveness](#) - Loan Forgiveness for Public Service Employees.

[Loan Consolidation](#) - A Consolidation Loan allows you to combine your federal student loans into a single loan, see whether consolidation is right for you.

Remember your Federal Student Loans are an obligation that MUST be repaid!