

Federal Family Education Loans

2009-2010 Academic Year

Quick Reference Guide

Loan Type		Federal Subsidized Stafford	Federal Unsubsidized Stafford Dependent	Federal Unsubsidized Stafford Independent	Federal Parent PLUS/ Grad PLUS
Eligible Borrowers		<ul style="list-style-type: none"> Dependent undergraduate Independent undergraduate Graduate or professional Based on financial need 	<ul style="list-style-type: none"> Dependent undergraduate Not based on financial need 	<ul style="list-style-type: none"> Independent undergraduate* Graduate or professional Not based on financial need 	<ul style="list-style-type: none"> Creditworthy parent of dependent undergraduate Graduate or professional student Not based on financial need
Annual Borrowing Limits	Year 1	\$3,500	\$5,500 minus subsidized Stafford awarded	\$9,500 minus subsidized Stafford awarded	Eligible loan amount—the cost of education less financial aid the student receives
	Year 2	\$4,500	\$6,500 minus subsidized Stafford awarded	\$10,500 minus subsidized Stafford awarded	
	Year 3- 5	\$5,500	\$7,500 minus subsidized Stafford awarded	\$12,500 minus subsidized Stafford awarded	
	Grad	\$8,500	N/A	\$20,500 minus subsidized Stafford awarded	
Aggregate Limits	Undergraduate	\$23,000	\$31,000 minus subsidized Stafford total previously borrowed	\$57,500 minus subsidized Stafford total previously borrowed	No cap
	Graduate	\$65,500	N/A	\$138,500 minus subsidized Stafford total previously borrowed	
Interest Rate		5.6% Undergraduate Fixed - 6.8% Graduate	Fixed - 6.80%	Fixed - 6.80%	Fixed - 8.50%
Borrower Fees	Default Fee: 1%				
	Origination Fee: .5% (from loan proceeds)				Origination Fee: 3% (from loan proceeds)
Disbursement	Loan proceeds are sent to the school, generally in at least two disbursements.				Loan proceeds are sent to the school, co-payable to the borrower and school, generally in at least two disbursements.
Repayment	Repayment begins six months after the student drops below half-time status or graduates. May prepay any part of loan at any time without penalty. The government pays the interest on the loan while the student is in school and for six months after leaving school (including graduation).		Same as subsidized Stafford. However, interest is payable from the date of disbursement and, if deferred, will be capitalized to the loan balance after the in-school, grace, or deferment period ends. Unsubsidized Stafford borrowers can avoid the extra cost of capitalization altogether by paying the accrued interest monthly or any time before it is capitalized.		First payment is due within 60 days after final disbursement. Any Part of the loan may be prepaid at any time without penalty. For parent PLUS loans made on or after 07/01/08, the borrower has the option to postpone repayment until six months after the student ceases to be enrolled at least halftime. Grad PLUS borrower may receive a deferment while he /she is enrolled on at least a half-time basis.
	Repayment Schedules				
	Standard (regular principal and interest payments over 10 years) Borrower automatically gets this option, unless they specify otherwise. Graduated (2–4 years interest only payments followed by standard payments) Income-Sensitive (based on gross income) Extended (regular principal and interest payments over 25 years)				
Borrower has up to 10 years to repay with a \$50/month minimum payment. Borrower has up to 25 years to repay if their first loan was made on or after 10/7/98 with a balance greater than or equal to \$30,000					

*or a dependent student whose parent applied for but was unable to obtain a Parent PLUS Loan.

Federal consolidation loans allow a borrower to consolidate multiple federal education loans into a single new loan. Ask your credit union if they offer this option.