



**St. John's University**  
Office of Student Financial Services  
**Graduate/Law Federal Direct Loans 2011-2012**

**What is a Federal Direct Student loan?**

Federal Direct Student loans are one form of student aid from the federal government. Under the Federal Direct Student loan program students borrow money for school from the federal government. The Office of Student Financial Services encourages students to evaluate loan options carefully, borrow only what is really needed and remember that loans must be repaid.

**How much can I borrow?**

**\$20,500** is the maximum annual amount a graduate student is eligible to borrow in the form of a Stafford Loan, no more than \$8,500 of which can be subsidized.

**What is the difference between a subsidized and an unsubsidized loan?**

For the **Federal Direct Subsidized Student Loan**, you will not be charged interest until you begin repayment. Repayment begins six months after you cease to be enrolled at least half-time (including leaves of absence). The interest rate for Federal Direct Subsidized Loans for graduate students is 6.8%.

For the **Federal Direct Unsubsidized Student Loan**, the government will not pay interest while a student is in school as it does for the subsidized loan. Interest accrues and must be paid or capitalized during periods of enrollment in school and/or deferment. The interest rate for Federal Direct Unsubsidized Loans for all students is 6.8%.

**Are there any other federal loans available to graduate students?**

The Federal Direct Graduate PLUS Loan is a federal loan available to graduate students. The maximum amount you will be eligible to borrow for the 2011-2012 school year will be indicated on your St. John's award letter. Students often elect to limit the amount which they borrow to the difference between annual direct costs and other financial aid which you have received. Direct costs are those paid directly to St. John's including tuition, fees, and room and board for resident students. Indirect costs consist of all other expenses that relate to attendance at St. John's. Your entire estimated cost of attendance is available on your UIS account. The interest rate on Federal Direct Graduate PLUS Loans is 7.9%. Please note the interest is set by the U.S. Department of Education and is subject to change on an annual basis.

**What fees, if any, are associated with these loans?**

For Stafford Loans, an origination fee of 1.0% of the total loan will be assessed and an up-front rebate of 0.5% will automatically be awarded. For Graduate PLUS loans, an origination fee of 4.0% will be assessed and an up-front rebate of 1.5% will automatically be awarded. To keep this up-front rebate, the borrower must make their first twelve payments on time once entering repayment. The net disbursement will reflect these fees; therefore, the amount credited to the student's account will be less than the loan amount. This fee is determined by the U.S. Department of Education. Please note the fees are set by the U.S. Department of Education and are subject to change on an annual basis.



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## How do I apply for a Federal Direct Student Loan?

### Federal Direct Stafford Loan Process

**Step 1:** All students who wish to borrow a Federal Direct Stafford Loan must first accept their loans. Loans are accepted or declined on the student's personal UIS account by following the instructions below:

- Log in to UIS and click on the Financial Aid tab
- Click on My Award Information then Award by Aid Year
- Select the 2011-2012 aid year and submit
- Click on the Accept Award Offer tab
- Follow the on screen instructions to fully accept, partially accept, or decline your loan awards

**Important Note:** If you wish to reinstate a loan you have already declined or modify a loan you have already accepted, please print, complete and return a Student Loan Change Form available online at <http://www.stjohns.edu/services/financial>.

**Step 2: First time Direct Loan borrowers only** must complete a Federal Student Loan Entrance Counseling Session in accordance with federal regulations. Go to [www.StudentLoans.gov](http://www.StudentLoans.gov) and click on Entrance Counseling.

*(When selecting a school during entrance counseling, search for "Saint John's University" without using abbreviations.)*

**Step 3: First time Direct Loan borrowers only** must complete a Direct Loan Master Promissory Note (MPN) at [www.StudentLoans.gov](http://www.StudentLoans.gov). Borrowers will need their FAFSA Personal Identification Number (PIN) in order to complete the MPN. If you do not have a PIN or cannot recall it, you can request your PIN at [www.pin.ed.gov](http://www.pin.ed.gov).

### Federal Direct Graduate PLUS Loan Process

All new Direct Grad PLUS Loan borrowers must complete a separate Grad PLUS Entrance Interview at [www.StudentLoans.gov](http://www.StudentLoans.gov). All borrowers must have their credit history checked by the Department of Education. Approved borrowers will then have to complete a Master Promissory Note in order to obtain a loan. Students should go to [www.StudentLoans.gov](http://www.StudentLoans.gov) to complete the PLUS process.

## Where can I learn about the various federal student loan programs?

For more information on loans and debt management, please visit the following websites:

- [www.stjohns.edu/financialaid](http://www.stjohns.edu/financialaid)
- [www.studentaid.ed.gov](http://www.studentaid.ed.gov)
- [www.mymoney.gov](http://www.mymoney.gov)
- [www.nsls.ed.gov](http://www.nsls.ed.gov)
- [www.ombudsman.ed.gov](http://www.ombudsman.ed.gov)

**\*Important Notice:** It is the policy of St. John's University to process loans *only* after an admission deposit has been paid *and* the loans have been accepted by the student on their UIS account. ***All program terms and conditions are subject to Congressional Action.***

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