

# GET THE FACTS: FEDERAL DIRECT LOANS

**FEDERAL DIRECT LOANS** are guaranteed to students who have completed a FAFSA Application and meet other eligibility criteria. To receive a Direct Loan, students must also be enrolled in at least 6 credits per semester and in a degree-seeking program. There are two different types of Federal Direct Loans offered:

Loan Type	Interest Rate	Origination Fee	Important Loan Details
<b>Direct Subsidized</b>	5.50% Fixed	1.057%	<ul style="list-style-type: none"> <li>Awarded on the basis of financial need</li> <li>Available to undergraduate students only</li> <li>Interest-free while enrolled in at least 6 credits per semester and other specified deferment periods</li> </ul>
<b>Direct Unsubsidized</b>	5.50% Fixed <i>Undergraduate/Post-Bacc Certification Students</i>	1.057%	<ul style="list-style-type: none"> <li>Available to undergraduate, post-baccalaureate certification, graduate and doctoral students.</li> <li>The student will be charged interest from the time disbursed until it is paid in full.</li> <li>Students can choose to make interest payments while in school or defer payments up to 6 months after they graduate.</li> </ul>
	7.05% Fixed <i>Graduate/Doctoral Students</i>		

The **Interest Rate** is the proportion of a loan that is charged as interest to the borrower, typically expressed as an annual percentage of the loan outstanding. *The interest rates above apply only to loans disbursed between July 1, 2023 –June 30, 2024. Interest rates are subject to change each year as of July 1.*

Both loan types charge an **Origination Fee**, which is a fee charged by the federal government to cover their cost of processing the loans. *Origination fees are subject to change as of October 1 of each year; new rates only applicable to undisbursed loans.*

**Repayment** is deferred while the student is enrolled in a degree-seeking program and taking at least 6 credits per semester. Repayment will begin 6 months after the student leaves school (graduates, withdraws, takes a leave of absence, or ceases to be enrolled in at least half time (6 credits)).

## ANNUAL LOAN LIMITS FOR SUBSIDIZED AND UNSUBSIDIZED FEDERAL DIRECT LOANS

To receive a Direct Loan the student must be enrolled at least half time (6 credits). The actual loan amount offered is based on individual eligibility. A borrower's total financial aid package that may consist of grants, scholarships, and loans may not exceed the total cost of education for the loan term.

Total Number of Earned Credits	Base Federal Direct Loan Amount <i>(Can be a combination of Subsidized and Unsubsidized depending on need)</i>	Additional Federal Direct Unsubsidized Loan <i>(Available to Independent students only, or if parents are denied a Plus Loan)</i>	Total Possible Academic Year Limit
0 - 29.9 credits	\$5,500	\$4,000	\$9,500
30 - 59.9 credits	\$6,500	\$4,000	\$10,500
60 - 89.9 credits	\$7,500	\$5,000	\$12,500
90+ credits	\$7,500	\$5,000	\$12,500
Certification	\$5,500	\$7,000	\$12,500
Grad / Prof	NA	\$20,500	\$20,500
Doctorate	NA	\$20,500	\$20,500

## AGGREGATE LIFETIME FEDERAL DIRECT LOAN LIMITS

Undergraduate/Post-Bacc Cert Education (dependent student)	\$31,000 (\$23,000 sub max)
Undergraduate/Post-Bacc Cert Education (independent student)	\$57,500 (\$23,000 sub max)
Graduate/Doctorate Degree Education	\$138,500 (no sub eligibility)