

## **FEDERAL DIRECT STAFFORD LOAN 2007/2008FACT SHEET**

The Federal Direct Stafford/Ford Loan is a low-interest loan available to students for post-secondary educational expenses. Most matriculated students are eligible for a *subsidized* and/or *unsubsidized* Direct Loan for the 2007/2008 academic year. The loan is made to the student who is then responsible for repayment of the loan. Loans with a first disbursement date on or after July 1, 2006 have a fixed interest rate of 6.8%.

Students must demonstrate financial need to qualify for *subsidized* loans. Financial need is determined by a federally legislated analysis of family financial information provided on the 2007/2008 Free Application for Federal Student Aid (FAFSA) which must be completed for either loan. Students who do not qualify for the maximum *subsidized* Direct Loan may be approved for the difference in an *unsubsidized* Direct Loan. The combination of the *subsidized* and *unsubsidized* Direct Loans may not exceed the annual and aggregate limits for loans under the Direct Loan Program. Provisions of the *subsidized* Loan and *unsubsidized* Loan are the same with the exception of those noted below.

### **Subsidized Federal Direct 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 (6 credit hours).

### **Unsubsidized Federal Direct Loan**

The government will not pay interest while a student is in school as it does for the *subsidized* Direct Loan. Interest accrues, and must be paid by the borrower or capitalized during periods of in-school enrollment and/or deferment.

### **WHO IS ELIGIBLE TO APPLY?**

Students are eligible to participate in the Federal Direct Loan Program if they: (1) are U.S. citizens or permanent residents; (2) are enrolled in a degree program; (3) are registered for a minimum of 6 credit hours which are accepted towards the degree program; (4) demonstrate need as determined by federal regulations; (5) do not have any outstanding balance due for prior enrollment at Boston University, and (6) are making satisfactory academic progress. Academic progress standards require full-time students to have satisfactorily completed at least 12 credits per semester during the previous academic year.

### **HOW MUCH MAY I BORROW?**

Graduate and professional students are eligible to borrow up to **\$8,500** *subsidized* and up to an additional **\$12,000** in an *unsubsidized* Direct Loan. The maximum cumulative Federal Direct Stafford Loan amount is **\$138,500** for graduate and professional students, including any amount borrowed for undergraduate study.

(over)

## HOW DO I APPLY?

1. Complete a **FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)** if you are applying **solely** for a federal loan(s). The FAFSA can be completed on-line at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). The Boston University School Code is 002130. If you wish consideration for non-federal financial aid, additional forms are required. For information on requirements, you should contact the SSW Office of Financial Assistance.
2. **You will be notified by mail if you need to sign a promissory note.** If you have already signed a Master Promissory Note, you will not need to sign another promissory note. First time borrowers will need to complete a **DIRECT LOAN MASTER PROMISSORY NOTE**. You can complete the promissory note on-line at [www.bu.edu/finaid](http://www.bu.edu/finaid) and click on “Loans and Work” and then “Stafford On-line Promissory Note”. You will need your federal personal identification number (PIN). If you do not have a PIN or cannot recall it, you can request a duplicate PIN at [www.pin.ed.gov](http://www.pin.ed.gov). Boston University will be notified within 3-5 business days that you have completed your promissory note on-line.

If you fail to complete your promissory note on-line, you will be mailed a paper promissory note to your home address. Complete all required items and sign the promissory note. Return the promissory note according to the instructions.

Failure to complete the promissory note requirement before the end of the loan period will result in cancellation of the loan. Please make sure that you have provided the Registrar with your home address so that you will get your promissory note.

3. **If you are a first-time borrower, you must fulfill an entrance counseling session**, which is required by the federal government prior to the crediting of loan funds to your student account. You may complete this requirement on-line at [www.bu.edu/finaid](http://www.bu.edu/finaid). Click on “Loans and Work” and then “Entrance Counseling”. Entrance Counseling must be completed before your loan eligibility can be finalized and be used to settle the outstanding balance on your student account.

## WHEN WILL THE LOAN FUNDS BE AVAILABLE TO ME?

Once classes begin for the semester and your loan has been approved by the Direct Loan Center, the funds will be credited to your student account electronically. A loan fee up to 3% will be deducted from the subsidized & unsubsidized Direct Loan prior to disbursement. In addition, borrowers will be given an up-front rebate that is approximately equal to 1.5% of the loan amount approved. The borrower retains the rebate by making the first 12 monthly payments on time. Overall, the amount available can be no more than 1.5% minus the loan amount approved. Your loan will be disbursed in two installments, one installment each semester. *For first-time borrowers, funds cannot be disbursed until the Entrance Counseling and Promissory Note requirements have been fulfilled. You must also be registered for the appropriate number of credits for disbursement to take place.* Once the semester begins, if there is a credit balance on your account after the loan funds are credited, you may request a refund by completing and submitting a Credit Release Voucher.

**2007/2008 FEDERAL DIRECT STAFFORD LOAN  
PROCESSING REQUEST FORM**

**Note: Do not complete this form** if you have received a Boston University School of Social Work Financial Aid Notification, which includes a Direct Loan.

**FEDERAL DIRECT STAFFORD LOANS**

If you wish to apply for a Federal Direct Stafford Loan, complete (A&B) and return this form to the School of Social Work Financial Aid Office, 264 Bay State Road, Boston, MA 02215. If you have any questions about the Direct Loan Program or this form, please contact the Financial Aid Office at 617-353-3765 or by e-mail at *ifrye@bu.edu*.

- A.  I WISH TO APPLY FOR A TOTAL DIRECT LOAN IN THE AMOUNT OF \$\_\_\_\_\_.  
If you do not qualify for the total maximum in a **SUBSIDIZED** Loan, you **may** be eligible to borrow the remaining amount in an **UNSUBSIDIZED** Loan.
- B.  I have filed a FAFSA.  
 I will be filing a FAFSA as soon as possible.

**Note: You must be enrolled for at least 6.0 credit hours each semester to be eligible for a Federal Direct Loan.**

**Statement of My Responsibilities**

I understand my responsibility to promptly provide to the Office of Financial Assistance the following **(which may reduce or eliminate my eligibility for a Direct Loan)**: all financial aid I receive from any source or any change in my full-time/part-time or degree-candidate status.

Number of credits: Fall/2007: \_\_\_\_\_ Spring/2008: \_\_\_\_\_ Anticipated Graduation Date: \_\_/\_\_/\_\_

List any funds anticipated for 2007/2008 from a source other than the Boston University Office of Financial Assistance. Include Resident Assistant compensation, tuition reimbursement, private scholarships, etc.

Source \_\_\_\_\_ Amount \$ \_\_\_\_\_ Source \_\_\_\_\_ Amount \$ \_\_\_\_\_

\_\_\_\_\_  
Student name: Last First MI BU Identification Number

By my signature I acknowledge that the above information is true and correct. I understand that I must notify the SSW Office of Financial Assistance regarding any and all changes to the above information. I understand that changing my enrollment may reduce or eliminate my eligibility for a Direct Loan.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date