

WHAT TO DO NEXT-

Subsidized/Unsubsidized Loans-

To accept the loan(s), logon to OSU SIS-Web for Students at <http://prodosu.okstate.edu> and select the "Accept/Decline Awards" option from the Financial Aid drop-down menu. If you prefer, you can complete and return the paper Award Letter.

If you are a first-time borrower, or if you have not borrowed in the past 12 months, you must complete an electronic Master Promissory Note (MPN), which is updated by the federal loan servicer throughout your education at OSU. **You will electronically 'sign' your MPN on the web (at <http://dlenote.ed.gov>) using your PIN from the U.S. Department of Education.** OSU will be notified once you complete this requirement.

First-time borrowers must also complete an **Entrance Interview** prior to the first disbursement of the loan(s) at OSU. You can complete this requirement online at www.dl.ed.gov, and OSU will be notified once you complete this requirement.

Parent (PLUS) Loans-

In addition to accepting the loan on OSU SIS-Web for Students (<http://prodosu.okstate.edu>) or on the paper Award Letter, you and your parent need to **submit the Direct PLUS Request Form** to our office.

OSU will send the loan information to the Direct Loan Servicer, where the required credit check will be completed and the **electronic PLUS Master Promissory Note (MPN)** will be created (a separate MPN for each student for whom the parent has a PLUS Loan). The Direct Loan Servicer, not OSU, will notify the parent borrower if the PLUS is denied due to poor credit; in such cases, the student can contact the OSU Office of Scholarships and Financial Aid to discuss possible funding alternatives.

Prior to completing the PLUS MPN, **the parent borrower must obtain a U.S. Dept. of Education PIN** (the same pin used to 'sign' the FAFSA-on-the-Web application). If the parent does not have a pin of their own (different from the student's), go to www.pin.ed.gov to request a parent PIN. Please allow several days to receive the PIN before accessing the PLUS MPN.

The parent borrower will use the parent PIN to read and 'sign' the PLUS MPN at <http://dlenote.ed.gov>.

Need more information?

OSU Office of Scholarships & Financial Aid

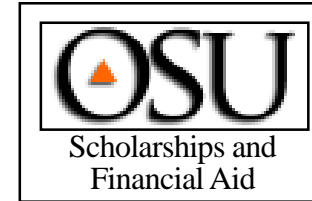
119 Student Union

Stillwater, OK 74078-5061

Email: finaid@okstate.edu

Phone: (405) 744-6604

Web: www.okstate.edu/finaid



Other Important Loan Websites:

Accept/Decline OSU Awards:

<http://prodosu.okstate.edu>

Request a U.S. Dept. of Education PIN

(student and parent borrowers need one):

www.pin.ed.gov

'Sign' the Master Promissory Note (MPN)

(student and parent borrowers):

<http://dlenote.ed.gov>

Complete an Entrance Interview

(first-time student borrowers only):

www.dl.ed.gov

Loan Consolidation Information:

www.loanconsolidation.ed.gov

William D. Ford Federal Direct Loans

- ▲ **Subsidized**
- ▲ **Unsubsidized**
- ▲ **Parent (PLUS)**

*Read this before you
accept your awards...*

This brochure was prepared on the basis of the best information available at the time it was printed (June, 2005). However, all information is subject to change without notice or obligation.

Oklahoma State University, in compliance with Titles VI and VII of the Civil Rights Act of 1964, Executive Order 11246 as amended, Title IX of the Education Amendments of 1972 (Higher Education Act), Americans with Disabilities Act of 1990, and other federal laws and regulations, does not discriminate on the basis of race, color, national origin, sex, age, religion, handicap, or status as a veteran, in any of its policies, practices or procedures. This provision includes, but is not limited to, admissions, employment, financial aid and educational services.
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What are Ford Federal Direct Loans?

Ford Direct Loans provide a way for students and parents to borrow money from the government to help finance a college education. **These loans must be repaid.** Students utilize the Ford Direct Subsidized and Unsubsidized Loans; parents with good credit can borrow in the Parent (PLUS) Loan program. Both student and parent loans help pay for educationally-related costs, including, but not limited to, general enrollment fees, tuition, room/board and books.

Getting funds is simple. Borrowers work only with OSU and a U.S. Department of Education servicer instead of commercial lenders and guarantee agencies.

GENERAL INFORMATION-

Subsidized vs. Unsubsidized Loans-

The results of the Free Application for Federal Student Aid (FAFSA) are used to determine eligibility for both the Subsidized and Unsubsidized Loans. Eligibility for a **Subsidized Loan** is based on your financial need; the interest is paid (subsidized) by the federal government until you cease to be enrolled at least half-time.

Financial need is not a requirement to receive an **Unsubsidized Loan**. You (the student) are responsible for the interest on an Unsubsidized Loan while in school; however, the interest may be capitalized (added to the principal) while you are enrolled at least half-time.

Parent (PLUS) Loans-

The parent is the borrower in the PLUS Program, and repayment begins while the student is enrolled. Once educational charges at OSU have been paid, the parent borrower will have the option of authorizing any extra funds to be refunded to either the student or the parent.

Interest Rates and Origination Fees-

The Subsidized and Unsubsidized Loan rate varies annually, but cannot exceed 8.25%; the Parent (PLUS) Loan rate also varies annually, but cannot exceed 9.0%. The federal government sets the rate July 1st of each year. **For the 2005-2006 year, the Subsidized/Unsubsidized rate is 4.70%; the PLUS rate is 6.10%**

Subsidized/Unsubsidized Loan borrowers are charged an origination fee of 3%. For example, if you borrow \$3,500, you will actually receive \$3,395 ($\$3,500 \times .03 = \105). Parent Loan borrowers are charged a 4% origination fee.

How Much Can I Borrow?

The total borrowed in all programs combined (including PLUS Loans) for an enrollment period cannot exceed the student's costs, as determined by OSU, minus any other aid the student will receive (i.e., Pell Grant, Oklahoma Tuition Aid Grant, any cash scholarships, or tuition waivers).

If you receive other awards after your eligibility is determined, your loan(s) may be reduced and you may be required to repay funds for which you were not eligible. **You must report any additional award(s) to our office.**

Federal regulations place annual and aggregate limits on the amount a student can borrow (the only limitation on a PLUS Loan is the cost of attendance). These limits include Federal Family Educational (FFELP) Loans borrowed at other schools you have attended, as well as Direct Loans.

| | Annual Subsidized/Unsubsidized Loan Limits* | | |
|---------------|---|-------------------|---------------------|
| | Total Hours Completed | Dependent Student | Independent Student |
| Freshman | 0-27 | \$2,625 | \$6,625 |
| Sophomore | 28-59 | \$3,500 | \$7,500 |
| Junior/Senior | 60+ | \$5,500 | \$10,500 |
| Graduate | | | \$18,500 |

*Total borrowed (including PLUS) cannot exceed cost of attendance minus all other types of assistance.

If you borrow more than annual or aggregate (all Subsidized and/or Unsubsidized Loans) limits, you will be **ineligible for any federal/state grants, work-study, and loans**, until the excess has been repaid or satisfactory repayment arrangements have been made.

The aggregate limit for the Subsidized Loan is \$23,000 for undergraduate study, \$65,500 for graduate study (including undergraduate loans). The combined limit for Subsidized and Unsubsidized Loans is \$23,000 for a dependent undergraduate \$46,000 for an independent undergraduate; \$138,500 for a graduate/professional student (including undergraduate loans).

Loan Repayment-

Subsidized/Unsubsidized Loan repayment starts 6 months after you cease to be enrolled at least half-time. Parent (PLUS) Loan repayment begins 60 days after the loan is fully disbursed, unless the parent borrower qualifies for a deferment or forbearance. For more information, contact Direct Loan Borrower Services at 1-800-848-0979.

Receiving Loan Funds-

Financial aid at OSU is usually disbursed beginning the first week of classes in the fall and spring semesters. If you submit the *Request for Summer Aid* in the spring, you will be notified of disbursement dates when summer eligibility is determined.

Changes in Loan Eligibility-

Loan eligibility is based, in part, on your cost of education, Expected Family Contribution (from the FAFSA) and other sources of financial assistance you will receive. Any change to these factors after your original award has been made may cause an adjustment to your loan eligibility. If your eligibility is decreased, we will notify you and the Direct Loan Servicer of the change.

Specific factors include, but are not limited to:

- A change in **hours of enrollment**;
- A change in **housing plans**;
- A change in **class level**;
- **Additional resources** not shown on the Award Letter (or on the OSU SIS-Web for Students system), such as OSU scholarships, tuition waivers, awards from community organizations/employers, Vocational Rehabilitation, or any other grants, etc. You must report any additional awards to the OSU Office of Scholarships and Financial Aid;
- A change in **Expected Family Contribution** as determined by the federal calculation of the FAFSA.

Satisfactory Academic Progress-

You must maintain satisfactory academic progress as outlined in the OSU Financial Aid Satisfactory Academic Progress Policy to remain eligible for assistance, including Subsidized, Unsubsidized and Parent (PLUS) Loans. Even though these loans require repayment, you must meet the academic standards in order for you and/or your parents to utilize these programs.

Consolidation and Deferment-

Commercial lenders are not involved in providing Ford Federal Direct Loans to students/parents. If you have loans from another school, you might consider combining them into one consolidation loan. For more information on in-school consolidation, call 1-800-557-7392 or go online to www.loanconsolidation.ed.gov.