

Undergraduate Student Loan Options at a Glance

	Federal Direct Subsidized Stafford Loan	Federal Direct Unsubsidized Stafford Loan	Federal Perkins Loan	Federal Direct Parent PLUS Loan	Private Student Loan
Borrower	Student	Student	Student	Parent	Student and a co-signer
Interest Rate*	<ul style="list-style-type: none"> • 3.76% • Fixed • Interest begins at repayment 	<ul style="list-style-type: none"> • 3.76% • Fixed • Interest begins immediately 	<ul style="list-style-type: none"> • 5.0% • Fixed • Interest begins at repayment 	<ul style="list-style-type: none"> • 6.31% • Fixed • Interest begins immediately 	<ul style="list-style-type: none"> • Variable & fixed rate options • Rates are determined by the lender • Interest begins immediately
Origination Fee**	1.068%	1.068%	0%	4.272%	Varies between lenders and loan programs
Repayment	<ul style="list-style-type: none"> • Begins 6 months after student ceases to be enrolled at least half-time • Various repayment options from 10-30 years • No penalty for early repayment 	<ul style="list-style-type: none"> • Begins 6 months after student ceases to be enrolled at least half-time • Various repayment options from 10-30 years • No penalty for early repayment 	<ul style="list-style-type: none"> • Begins 9 months after student ceases to be enrolled at least half-time • 10 year repayment • No penalty for early repayment 	<ul style="list-style-type: none"> • Begins 60 days after fully disbursed unless a deferment option is selected • Various repayment options from 10-30 years • No penalty for early repayment 	<ul style="list-style-type: none"> • Typically after the student ceases to be enrolled half-time but can differ with each lender • Repayment options vary between lenders
Application Process	<ul style="list-style-type: none"> • Complete a FAFSA • Complete entrance counseling • Complete a MPN (Master Promissory Note) • Accept loan in AccessPlus 	<ul style="list-style-type: none"> • Complete a FAFSA • Complete entrance counseling • Complete a MPN • Accept loan in AccessPlus 	<ul style="list-style-type: none"> • Complete a FAFSA before December 1. <i>Student must show financial need as funding is limited</i> • Complete a MPN in AccessPlus • Accept loan in AccessPlus 	<ul style="list-style-type: none"> • Student must have FAFSA on file • The parent borrower must complete an application and MPN • Process can take 2-3 weeks to complete <p><i>This loan is not guaranteed</i></p>	<ul style="list-style-type: none"> • Choose a lender; complete the lender's application and subsequent documentation requirements • First time borrowers must complete counseling with a Financial Literacy Adviser • Process can take 4-6 weeks to complete <p><i>This loan is not guaranteed</i></p>
Credit Check	No credit check required	No credit check required	No credit check required	Parent borrower's credit will be reviewed If denied, other federal student loan options may be available	Student and co-signer credit will be reviewed
Resources	www.studentloans.gov	www.studentloans.gov	accessplus.iastate.edu	www.studentloans.gov	www.financialaid.iastate.edu/loans

Important Information on Educational Loans

- In order to keep borrowing to a minimum, it is important to create a budget each year to determine the amount you need to borrow. Students can adjust or decline unwanted aid through AccessPlus within the Financial Aid section, select “Adjust/Decline Award”.
- First time Stafford Loan borrowers must complete Entrance Counseling and a Master Promissory Note (MPN) online at www.studentloans.gov. Borrowers will need to have their FSAID and password available to complete these steps.
- Students need to accept the federal student loans they wish to borrow on a semester basis. Loans can be accepted in AccessPlus within the Financial Aid section, by selecting “Accept/Decline Loan”.
- Parents utilizing the Parent PLUS Loan must complete an application and an MPN online at www.studentloans.gov. Parents who wish to borrow each year must complete a new application each year.
- The credit of the parent borrower will be reviewed when requesting a Parent PLUS Loan. If adverse credit is determined, the student may be eligible for additional Unsubsidized Stafford Loans.
- Terms on private loans can vary between lenders, so it important to check with your lender on the interest rate, origination fee, and repayment options before borrowing.
- First time private loan borrowers are required to complete additional loan counseling with a Financial Literacy Advisor before their loan will be certified.
- Private loans can take four to six weeks to complete processing. Please plan accordingly when starting an application to ensure funds are available by the university bill due date. Students who wish to borrow a private loan each year must complete a new application each year.

Important Loan Terms

- *Deferment* - Postponing repayment of a loan. If you have a subsidized loan, the federal government pays the interest charges during the deferment period. If you have an unsubsidized loan, you are responsible for the interest that accrues during the deferment period.
- *Federal Loan Servicer* - The agency responsible in assisting borrowers in repayment of their loans. All federal loan borrowers will be notified of their assigned loan servicer once their loan is disbursed.
- *Grace Period* - Time period after graduation or withdrawal during which the borrower is not required to begin repaying his/her student loans. The grace period may also begin if the student drops below half-time enrollment.
- *Half-time enrollment* - Half-time enrollment for undergraduate student is six credits. In order to be eligible for most federal and institutional financial aid programs and to maintain deferment for loans, a student needs to be enrolled at least half-time.
- **Interest Rate* - The amount charged to the borrower for the privilege of using the lender’s money. Interest is usually calculated as a percentage of the principal balance of the loan. Interest rates listed on page one are the 2016-17 rates. Interest rates on federal education loans are subject to change every July 1 but will be fixed for the life of the individual loan. The interest rate cap on Stafford Loans for undergraduates is 8.25%. The interest rate cap on the PLUS loan is 10.50%.
- ***Origination Fee* - A fee charged to help offset the cost of processing a loan. The origination fee is charged as the loan is disbursed. Fees listed on page one are effective for loans with a first disbursement between October 1, 2015 - September 30, 2016. Federal loans with a first disbursement after October 1, 2016 are subject to a different fee.