# \*FEDERAL STAFFORD LOAN (SUBSIDIZED)

## Description/Eligibility:

- Available to eligible student borrowers
- Need based—a FAFSA must be filed with the school the student plans to attend each year.
- Proceeds from the loan will be delivered to WPI in two separate but equal disbursements (one per semester).

#### Maximum Loan:

- First Year Students up to \$3,500.
- Second Year Students up to \$4,500.
- Third & Fourth Year Students up to \$5,500.

#### Interest Rate:

- For Loans disbursed after 7/1/06, the interest rate will be fixed at 6.8%
- Repeat borrowers will be assessed the fixed rate on all loans disbursed after 7/1/06

#### Fees

- Guarantee/Origination Fees not to exceed 3%
- All fees are deducted from the loan proceeds at disbursement.

# Repayment:

- Interest & principal are subsidized by the government until student ceases to be enrolled at least half-time.
- Repayment begins 6 months after the student graduates, withdraws or stops attending school at least half-time.

# FEDERAL STAFFORD LOAN (UNSUBSIDIZED)

## <u>Description/Eligibility:</u>

- Available to eligible student borrowers
- Non-need based—however, a FAFSA must be filed with the school the student plans to attend each year.
- Interest accrues during in-school period
- Proceeds from the loan will be delivered to WPI in two separate but equal disbursements (one per semester).

#### Maximum Loan:

• Combined totals of subsidized Federal Stafford and unsubsidized Federal Stafford are the same as Federal Stafford Loans listed on the left.

### Interest Rate:

- For Loans disbursed after 7/1/06, the interest rate will be fixed at 6.8%
- Repeat borrowers will be assessed the fixed rate on all loans disbursed after 7/1/06

#### Fees:

- Guarantee/Origination Fees not to exceed 3%
- All fees are deducted from the loan proceeds at disbursement.

# Repayment:

- The Unsubsidized Federal Stafford Loan defers principal only.
- Interest must be paid each month or capitalized until you graduate or separate from WPI. You would then begin repaying both principal and the accrued interest.
- Repayment begins 6 months after the student graduates, withdraws or stops attending school at least half-time.

## <u>Unsubsidized Stafford Loans (Part 1):</u>

**Eligibility:** For students who are not eligible for all or part of the subsidized Stafford Loan, eligibility is based on at least half-time enrollment in a degree granting program, U.S. citizenship or eligible non-citizen status and satisfactory academic progress.

#### **Annual Loan Limits:**

Freshmen: \$3,500 less subsidized Stafford eligibility

Sophomores: \$4,500 less subsidized Stafford eligibility Juniors: \$5,500 less subsidized Stafford eligibility Seniors: \$5,500 less subsidized Stafford eligibility

Total eligibility limited to Cost of Attendance less any other financial assistance awarded.

## Unsubsidized Stafford Loan-(Part 2):

**Eligibility:** For independent students or for those dependent students whose parents will not qualify for Parent Loans (documentation required), students must be U.S. citizens or eligible non-citizens enrolled on at least a half-time basis in a degree-granting program making satisfactory academic progress.

#### **Annual Loan Limits:**

Freshmen: \$4,000. Sophomores: \$4,000. Juniors: \$5,000. Seniors: \$5,000.

Total eligibility limited to Cost of Attendance less any other financial assistance awarded.

Students applying for both parts of the Unsubsidized Stafford Loan should request the sum of the eligibilities for each part. For example if a Junior is eligible for \$3,500 in Subsidized Stafford Loan, he or she would also be eligible for \$2,000 in Unsubsidized Stafford (Part 1) and \$5,000 Unsubsidized Stafford (Part 2). The student would then apply for \$3,500 Subsidized Stafford and \$7,000 Unsubsidized Stafford. If applying for all the loans at the same time, this student would request a total of \$10,500 on the application.

Rev 11/14/06