Federal Direct Stafford Loans

Direct Loans are low-interest loans for students and parents to help pay for the cost of a student’s education. The lender is the U.S. Department of Education rather than a bank or other financial institution, and you will be assigned a service fee for repayment. Students must complete a FAFSA to receive Direct Stafford Loans.

Types of Federal Direct Stafford Loans

Subsidized for undergraduate students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, and during periods of deferment.

NOTE: If you received a Direct Subsidized Loan that was first disbursed between July 1, 2012, and July 1, 2014, you will be responsible for paying any interest that accrues during your grace period, the interest will be added to your principal balance.

Unsubsidized not based on financial need; interest is charged during all periods. Repayment begins following a six-month grace period after you graduate, leave school or cease being enrolled as at least a half-time student.

Federal Direct Stafford Loan

ANNUAL BORROWING LIMITS

The maximum amount you may borrow each year in Direct Subsidized and Unsubsidized Loans depends on your grade level and on whether you are a dependent student or an independent student. Please see the following table:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Subsidized</th>
<th>Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$5,500</td>
<td>$6,500</td>
</tr>
<tr>
<td>Sophomore/Professional</td>
<td>$6,500</td>
<td>$7,500</td>
</tr>
<tr>
<td>Junior &amp; Senior</td>
<td>$7,500</td>
<td>$12,500</td>
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</tbody>
</table>

Students must complete entrance counseling before the first disbursement of your loan can be applied to your account. Entrance counseling helps you understand your responsibilities as a loan borrower:
- Complete entrance counseling online at studentaid.gov
- Sign in using your (the student) FSA User ID
- Choose Complete Aid Process
- Select Complete Entrance Counseling

BE ADVISED: You must be degree seeking and enrolled at least half-time (undergraduate) or 6 credit hours (graduate students) to borrow federal loan money.

Federal Direct Parent PLUS Loans

PLUS borrowers cannot have an adverse credit history (a credit check will be done). Students must complete a FAFSA to receive a Direct Parent PLUS Loan.

Parent PLUS Loan Eligibility Requirements for a Direct PLUS Loan

You must be the parent (biological, adoptive or in some cases, step-parent) of a dependent undergraduate student enrolled at least half-time at a postsecondary school. If you are the parent (biological, adoptive or step-parent) of a dependent student for whom you are the student's only parent, you may only borrow an amount of Parent PLUS loan that does not exceed the cost of attendance minus other financial assistance. Interest is charged during all periods

HOW TO APPLY FOR A FEDERAL DIRECT PLUS LOAN

• To apply for a Parent PLUS loan, parent borrowers are required to use their FSA User ID (but their student’s FSA ID). If your parent does not have a FSA User ID, visit fsaid.ed.gov to create one.
• To take out a Direct Loan, the parent borrower must complete both a PLUS Credit Application and Master Promissory Note (PLUS MPN).
• Complete the Parent PLUS Loan Credit Application online at studentaid.gov. Choose Apply for Aid, Choose Applying for a PLUS loan and select the Parent PLUS Loan option. As you (the parent borrower) complete the Credit Application, please indicate the amount of PLUS loan you would like to borrow.
• Complete the Parent PLUS MPN online at studentaid.gov. Choose Complete Aid Process, Choose Apply for Aid, Choose Sign Loan Agreement, and select the PLUS MPN for Parents. The PLUS MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department. It also explains the terms and conditions of your loan.

BE ADVISED: If you are the parent borrower and you complete the application, please complete the Loan Reduction Form. You may access this form online at belmont.edu/belfed. If you are not the parent borrower and you complete the application, you will disburse. You may access this form online at belmont.edu/belfed. If you are not the parent borrower and you complete the application, you may still receive a Direct Graduate PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history. If a student does use an endorser, the Graduate PLUS borrower must complete a Complete Aid Process through studentaid.gov prior to the PLUS loan disbursing.

BE ADVISED: Students must be degree seeking and enrolled at least half-time (undergraduate) or 6 credit hours (graduate students) to receive Direct Grad PLUS Loan.

Federal Direct Grad PLUS Loans for Graduates

PLEASE NOTE: All Graduate PLUS loan paperwork must be completed by the student borrower.

Direct Graduate PLUS Loans are credit-based loans for graduate students.

Students may apply for these loans and, if approved, will receive funds to help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods.

HOW TO APPLY FOR A FEDERAL DIRECT PLUS LOAN

• To apply for a Graduate PLUS loan, you will be required to use your FSA User ID. If you do not have a FSA User ID, please visit fsaid.gov.
• To borrow a Graduate PLUS loan for the first time, you must complete a PLUS Credit Application and Master Promissory Note (PLUS MPN).
• Complete the Graduate PLUS Loan Credit Application online at studentaid.gov. Choose Apply for Aid, Choose Applying for a PLUS loan, and select the Grad PLUS Loan option. As you (the student borrower) complete the application, please indicate the amount of PLUS loan you would like to borrow.

BE ADVISED: Students must be degree seeking and enrolled at least half-time (undergraduate) or 6 credit hours (graduate students) to receive Direct Grad PLUS Loan.

HOW TO APPLY FOR A FEDERAL DIRECT PLUS LOAN

• To apply for a Parent PLUS loan, parent borrowers are required to use their FSA User ID (but their student’s FSA ID). If your parent does not have a FSA User ID, visit fsaid.ed.gov to create one.
• To take out a Direct Loan, the parent borrower must complete both a PLUS Credit Application and Master Promissory Note (PLUS MPN).
• Complete the Parent PLUS Loan Credit Application online at studentaid.gov. Choose Apply for Aid, Choose Applying for a PLUS loan and select the Parent PLUS Loan option. As you (the parent borrower) complete the Credit Application, please indicate the amount of PLUS loan you would like to borrow.
• Complete the Parent PLUS MPN online at studentaid.gov. Choose Complete Aid Process, Choose Apply for Aid, Choose Sign Loan Agreement, and select the PLUS MPN for Parents. The PLUS MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department. It also explains the terms and conditions of your loan.

BE ADVISED: If you are the parent borrower and you complete the application, please complete the Loan Reduction Form. You may access this form online at belmont.edu/belfed. If you are not the parent borrower and you complete the application, you may still receive a Direct Graduate PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history. If a student does use an endorser, the Graduate PLUS borrower must complete a Complete Aid Process through studentaid.gov prior to the PLUS loan disbursing.

BE ADVISED: Students must be degree seeking and enrolled at least half-time (undergraduate) or 6 credit hours (graduate students) to receive Direct Grad PLUS Loan.

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• To apply for a Parent PLUS loan, parent borrowers are required to use their FSA User ID (but their student’s FSA ID). If your parent does not have a FSA User ID, visit fsaid.ed.gov to create one.
• To take out a Direct Loan, the parent borrower must complete both a PLUS Credit Application and Master Promissory Note (PLUS MPN).
• Complete the Parent PLUS Loan Credit Application online at studentaid.gov. Choose Apply for Aid, Choose Applying for a PLUS loan and select the Parent PLUS Loan option. As you (the student borrower) complete the application, please indicate the amount of PLUS loan you would like to borrow.
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BE ADVISED: If you are the parent borrower and you complete the application, please complete the Loan Reduction Form. You may access this form online at belmont.edu/belfed. If you are not the parent borrower and you complete the application, you may still receive a Direct Graduate PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history. If a student does use an endorser, the Graduate PLUS borrower must complete a Complete Aid Process through studentaid.gov prior to the PLUS loan disbursing.

BE ADVISED: Students must be degree seeking and enrolled at least half-time (undergraduate) or 6 credit hours (graduate students) to receive Direct Grad PLUS Loan.

Federal Direct Grad PLUS Loans

PLEASE NOTE: All Graduate PLUS loan paperwork must be completed by the student borrower.

Direct Graduate PLUS Loans are credit-based loans for graduate students. 

Students may apply for these loans and, if approved, will receive funds to help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods.
Frequently Asked Questions

1. **What are the interest rates for Direct Loans? Are there any fees associated with my loans?**

   All Direct Loans do have origination fees assessed by the Department of Education (DOE) at the time of disbursement. The DOE will disburse to Belmont the net amount of your loan (the borrowed amount minus the origination fee) each semester. These fees change annually on October 1st. Direct Loans have fixed interest rates, but the interest rates for any new loans change each year on July 1st. Please visit studentaid.ed.gov/types/loans/interest-rates for more information on the current interest rates and origination fees.

2. **How do I know who my servicer is?**

   Students and parents will be assigned a Direct Loan servicer soon after the first disbursement of a loan. The servicer will contact you via email or letter, and you can also view servicer information through studentaid.gov using FSA User ID Information.

3. **Why can’t I borrow any amount I want as I’ll be responsible for repaying the loans?**

   Federal guidelines require schools to create a yearly Cost of Attendance that includes allocations for living expenses, personal expenses and transportation, as well as tuition, fees and books. Your total financial aid package cannot exceed this Cost of Attendance.

4. **How much should I borrow in a PLUS loan?**

   Parents and Graduate Students may borrow a PLUS loan up to the student’s Cost of Attendance minus any other financial aid resources—grants, scholarships, other loans, etc... If you select the maximum amount during the credit application process, we will process your Parent or Graduate PLUS loan up to the full Cost of Attendance. If you chose Unknown Loan Amount during the credit application process, the borrower will need to contact our office to notify us of the amount to process. We encourage you to only borrow what you need. Please see the Loan Repayment section of our website (belmont.edu/sfs/loans/repayment.html) for the Loan Repayment Estimator and other repayment information.

5. **When should I complete my MPN and credit applications for Direct Loans?**

   New MPNs and credit applications should be completed by July for the fall, November for the spring and May for the summer.

6. **Do I need to complete a new MPN each year?**

   You may borrow under the same MPN for up to 10 years in most cases. However, for Parent PLUS and Graduate PLUS loans, you must complete a Direct PLUS Loan Credit Application each year for a new pre-approval and credit check. Each time an endorser is added to a Parent or Graduate PLUS loan, the borrower must complete a new MPN and PLUS Credit Counseling.

7. **How long does it take for the loan to be processed once received by Belmont?**

   Please allow three to four weeks for loan processing.

8. **Why do I need to complete a FAFSA?**

   Your FAFSA determines what type of financial aid you receive. Direct Stafford Loans, Pell Grants, Institutional Aid, and many other programs are dependent upon your level of financial need. Completing a FAFSA will allow you access to the broadest range of financial assistance.

9. **If I previously borrowed federal loans at another university, do I need to complete a new MPN?**

   Unless you have previously borrowed through the Federal Direct Loan program and have an active MPN on file with the Department of Education, you will need to complete a new MPN and entrance counseling to receive loan funds at Belmont.