

Federal Loan Programs

Federal Stafford Loan Program

The Federal Stafford Loan Program is a guaranteed, low-interest loan available to independent graduate/professional students. Two types of Stafford Loans exist:

- **Subsidized:** Provides financial assistance to students with demonstrated financial need as determined by the FAFSA (Free Application for Federal Student Aid). No interest accrues on the subsidized Stafford loan while the student is enrolled at least half-time (three credit hours at Bellarmine).
- **Unsubsidized:** Available to students who do not qualify for subsidized Stafford Loans or who have had their financial need met by other assistance; not need-based. Interest begins accruing on the unsubsidized Stafford loan immediately.

APPLICATION: In order to be eligible for a Stafford loan, students must file the FAFSA online at www.fafsa.ed.gov. A FAFSA must be filed every year that a student attends school.

AWARD PROCESS: After a FAFSA is filed, the Office of Financial Aid will notify you that your financial aid package has been completed via postcard. You will then be directed to www.bellarmino.edu/award where the award letter will indicate the amount of your student loan eligibility. Upon the acceptance of your loans, a federal Stafford loan master promissory note will be forwarded to you by the loan guarantor; instructions and additional information will be included. It is the responsibility of the borrower to submit the completed master promissory note to the lender/bank of the borrower's choice. The master promissory note can also be signed electronically at www.kheaa.com. Contact the Office of Financial Aid at 502.452.8124 for more information. All borrowers must also complete a loan entrance interview at www.kheaa.com.

LOAN AMOUNT: As a graduate student, you can borrow up to \$20,500 for the 2007-08 academic year. No more than \$8,500 of this amount may be in subsidized loans. The academic year includes the fall, spring and summer semesters.

When you graduate with a master's degree, the maximum total debt allowed from Stafford loans is \$138,500. No more than \$65,500 of this amount may be in subsidized loans. This maximum total graduate debt limit includes Stafford loans received for undergraduate study.

INTEREST: As of July 1, 2006, the interest rate is 6.8 percent.

DISBURSEMENT: The federal Stafford loan borrower will:

- Receive two (2) disbursements (one each semester).
- Begin repayment of principal and interest no later than 6 months after enrollment ceases or drops below half-time, unless authorized deferment or forbearance is granted by the lender.
- Have a standard repayment period of 10 years.

Federal Graduate PLUS Loans

Graduate and professional degree students are eligible to borrow under the PLUS loan program up to their cost of attendance minus other estimated financial assistance. The requirements include a determination that the applicant does not have an adverse credit history and repayment beginning on the date of the last disbursement of the loan.

APPLICATION: In order to be eligible for a graduate PLUS loan, students must file a FAFSA online at www.fafsa.ed.gov. A FAFSA must be filed every year that a student attends school. Students must also have applied for their annual loan maximum eligibility under the federal subsidized and unsubsidized Stafford loan program before applying for a graduate/professional PLUS loan. To apply for the graduate PLUS loan, go to Step 4 on the online award letter at www.bellarmino.edu/award.

INTEREST: Graduate PLUS loans have a fixed interest rate of 8.5 percent.

DISBURSEMENT: The Federal graduate PLUS loan borrower will:

- Receive two (2) disbursements (one each semester).
- Begin repayment of principal and interest no later than 6 months after enrollment ceases or drops below half-time, unless authorized deferment or forbearance is granted by the lender. Please note that interest accrues on the graduate PLUS Loan throughout the life of the loan.
- Have a standard repayment period of 10 years.