

# 2011/2012 FINANCIAL AID Award Information



ST. CLOUD STATE UNIVERSITY™

# Frequently Asked Questions

*What is "remaining loan eligibility" that is listed on my award letter?*

If an amount is listed for "remaining loan eligibility", and the aid listed on your award letter is not enough to cover your educational expenses, this is the maximum amount you may borrow in private loans and/or the Direct PLUS Loan program.

If you click on the link in the award letter, you will see a list of several private loan options. If you need to borrow additional funds, you should review these loan programs and their terms before deciding on a loan program that fits your needs. Private loan information is available on our webpage at [www.stcloudstate.edu/financialaid/types/loans-private.asp](http://www.stcloudstate.edu/financialaid/types/loans-private.asp).

*What's the difference between a subsidized Direct Loan and an unsubsidized Direct Loan?*

No interest is charged on a subsidized Direct Loan while you are in school at least half time and during the six-month grace period after you cease half time enrollment. On an unsubsidized Direct Loan you either pay the interest while you're in school or you may choose to have it capitalize, which means the interest is accruing and is added to your principal balance. For undergraduate students, the subsidized Direct Loan interest rate for the 2011-2012 academic year is fixed at 3.4 percent, and the unsubsidized Direct Loan interest rate is fixed at 6.8 percent. For graduate students, subsidized and unsubsidized Direct Loans have a 6.8 percent fixed rate.

*Do I need to do anything to accept my grant award(s)?*

No. These funds will be directly applied to your bill at SCSU at the beginning of each term, based on your enrollment at that time.

*My award letter only lists full-time award amounts, but I am going to attend on a half-time basis. What aid am I eligible to receive at half-time status?*

This information is available online at [www.stcloudstate.edu/financialaid](http://www.stcloudstate.edu/financialaid). Click on "Your Award Information." At the next screen you will need to enter your SCSU ID and PIN. Click on "Financial Aid" on the left side of the screen and then "Estimated Award Levels." Your aid eligibility online includes award amounts at full time, three quarter time, half time, and less than half time.

*What is a Federal Perkins Loan?*

The Federal Perkins Loan has a five percent fixed interest rate, and you do not begin repaying it until nine months after you leave school or enroll less than half time.

# Still Have Questions?

If you still have questions after reading your award letter and this booklet, use the following information to determine which office to contact.

Questions regarding the following areas should be addressed to the **Financial Aid Office**:

- ✧ financial aid application process
- ✧ award letter
- ✧ eligibility amounts for each award type
- ✧ loan application process
- ✧ satisfactory academic progress policy for financial aid recipients
- ✧ entrance and exit Direct Loan counseling
- ✧ short term loan applications
- ✧ work study
- ✧ Minnesota SELF loan entrance counseling

**Financial Aid Office**  
 106 Administrative Services Building  
 St. Cloud State University  
 720 Fourth Avenue South  
 St. Cloud, MN 56301-4498  
 Phone: (320) 308-2047  
 Toll Free: 1-877-654-7278  
 Fax: (320) 308-5424  
 Email address:  
[financialaid@stcloudstate.edu](mailto:financialaid@stcloudstate.edu)  
 Website:  
[www.stcloudstate.edu/financialaid](http://www.stcloudstate.edu/financialaid)

Questions regarding the following areas should be addressed to the **University Business Services Office**:

- ✧ financial aid disbursements
- ✧ billing/account balance
- ✧ payment of tuition, fees, room and board
- ✧ registration cancellation for non-payment
- ✧ late fees
- ✧ refunds
- ✧ returning loan funds
- ✧ 1098-T Tuition Payments Statements
- ✧ short term loan disbursement and repayment
- ✧ payment plans

**University Business Services Office**  
 123 Administrative Services Building  
 St. Cloud State University  
 720 4th Avenue South  
 St. Cloud, MN 56301-4498  
 Phone: (320) 308-4012  
 Toll Free 1-877-654-7278  
 Email address:  
[businessservices@stcloudstate.edu](mailto:businessservices@stcloudstate.edu)  
 Website:  
[www.stcloudstate.edu/billing](http://www.stcloudstate.edu/billing)



This booklet has been designed to help you understand your awards and procedures for processing and disbursing aid.

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## WHAT IS THE COST OF ATTENDING SCSU?

Estimated costs for the 2011-2012 academic year (two semesters) are as follows:

### Minnesota Resident

Tuition and Fees (15 credits/semester)	\$ 6,990*
Books and Supplies	\$ 1,200
Room and Meals	\$ 6,600
Total Cost of Attendance	\$14,790

*\*Estimated tuition and fees for students paying non-resident tuition rates are \$14,414. Tuition rates for students from North Dakota, South Dakota and Wisconsin who have applied for tuition reciprocity will be similar to Minnesota rates.*

*\*The Midwest Student Exchange Program allows students from Kansas, Michigan, Missouri and Nebraska to pay a tuition rate approximately equal to one and a half times the Minnesota resident rate, rather than paying non-resident rates.*

Your financial aid eligibility may be higher than the cost of attendance listed above. Financial aid may be used to cover other basic living expenses, such as medical expenses, transportation, laundry, etc. The costs associated with these items are not included in the amount listed above.

## HOW IS ELIGIBILITY FOR FINANCIAL AID DETERMINED?

The Financial Aid Office must determine your "need" before we can award you financial aid. Each student's need is determined by subtracting the expected parent and student contribution from SCSU's cost of attendance. When you completed the Free Application for Federal Student Aid (FAFSA), a need analysis processor performed a need analysis using a federal formula. This processor then provided us with the results of this need analysis, the expected parent contribution and/or student contribution.

Students are expected to contribute toward the cost of their education. Income and assets of the parents are used to determine the expected parent's contribution for dependent students.

SCSU Cost of Attendance
-Student Contribution
-Parent Contribution (for dependent students)
<hr/>

= Student's Need

The student's need is the total amount of need-based aid a student may receive from all sources. Students may obtain loans not based on need to substitute for the expected student and/or parent contribution.

## WHAT IS AN OVERAWARD?

Federal and state regulations prohibit you from receiving financial assistance that exceeds your calculated financial need or the cost of attending St. Cloud State University. Therefore, if you receive additional assistance that we were not aware of when we processed your application, you may be overawarded and we may reduce, cancel or collect back some of your awards. Examples of additional assistance that might affect your eligibility include:

- ✧ scholarships
- ✧ Vocational Rehabilitation Services assistance
- ✧ Minnesota Post-Secondary Child Care Grant
- ✧ County Child Care Assistance
- ✧ graduate tuition assistance
- ✧ athletic grant
- ✧ tuition waiver
- ✧ assistance from the Department of Jobs and Training (JTPA or CEP)

If you are receiving any type of additional assistance, and you have not already done so, please notify the Financial Aid Office of this assistance.

## SUMMER AID

SCSU's Financial Aid Office processes summer aid separately from academic year (fall, spring) aid. Students wishing to apply for summer aid should submit a summer aid application. These applications are available on the financial aid website the middle of February. The student will then receive a summer award letter.

## DEVELOPMENTAL CREDITS

Federal regulations limit a student's eligibility for federal aid to a total of 30 developmental/remedial credits attempted at all post-secondary institutions.

## GRADUATE STUDENTS

Graduate students are eligible to receive assistance under the federal and state loan and work study programs. Graduate students must have eight or more credits per term to be considered full time for financial aid purposes. Loan eligibility for a graduate student may be reduced if the student receives a graduate assistantship. If the graduate assistantship is funded through the work study program, the student's loan eligibility generally is reduced by the full amount of the assistantship plus the amount of tuition assistance the student receives. If the assistantship is not funded through the work study program, the student's loan eligibility generally is reduced only by the amount of tuition assistance the student is eligible to receive. The department offering the assistantship should notify the student of the source of the assistantship funding. Contact the Financial Aid Office for details regarding how the assistantship will affect aid eligibility.

Students who receive assistantships after their loan(s) have been processed may have future loan disbursements reduced or canceled.

## WHEN IS FINANCIAL AID AVAILABLE?

The disbursement of financial aid funds is a function of the University Business Services Office. Questions regarding aid disbursement should be directed to this office, located in room 123 of the Administrative Services Building, (320) 308-4012.

Financial aid awards are applied to outstanding charges after the sixth class day during fall and spring semester. Late awards are applied to your account at the time they are awarded. If your aid exceeds your SCSU charges, the balance is given to you for education-related expenses (books, rent, food, transportation, and miscellaneous personal expenses). The best way to receive these funds is to authorize direct deposit to your savings or checking account because it is faster, more convenient, and eliminates the possibility that your check might be lost in the mail. Checks lost or mailed to the wrong address are not reissued for three weeks to allow time for the post office to return the original check. Direct deposit forms are available in the Business Services Office, AS 122, or online at [www.stcloudstate.edu/billing](http://www.stcloudstate.edu/billing) (click on "Billing and Payments" and then "Direct Deposit").

The first group of financial aid checks is mailed or directly deposited around the tenth class day.

## FEE PAYMENT AND BILLING

All payment transactions are handled through the University Business Services Office located in room 123 of the Administrative Services Building. Contact this office at (320) 308-4012 for any questions regarding bills or fee payment.

SCSU will not mail you a bill. You may view your account online at [www.stcloudstate.edu](http://www.stcloudstate.edu).

- Click on "current students."
- Click on "e-services sign-in."
- Enter your SCSU ID and PIN.
- Click on Bills and Payment.

Financial aid checks cannot be cashed in the Business Services Office.

## DRUG CONVICTION NOTIFICATION

As prescribed in Section 484A of the Higher Education Act of 1965, a student becomes ineligible to receive federal title IV financial aid if the student is convicted of an offense under any federal or state law involving the possession or sale of illegal drugs during a period of enrollment for which the student was receiving federal title IV financial aid.

If a student has been convicted of such an offense s/he should contact the SCSU Financial Aid Office for further information on the steps necessary to regain eligibility.

## ATTENDANCE REQUIREMENT

In order to receive financial aid for a course, you must attend the classes. If you do not ever attend a class or you stop attending during the term, your financial aid may be adjusted. For more information regarding this attendance requirement, contact the Financial Aid Office.

## ENROLLMENT REQUIREMENT

When determining enrollment levels for financial aid, only undergraduate credits are included for undergraduate students and only graduate credits are included for graduate students.

## WITHDRAWING FROM ALL COURSES

Students who receive financial aid and then withdraw from ALL of their courses prior to completing 60 percent of the semester are considered to have received unearned financial aid. The university is then required by federal law to perform a refund calculation to determine what portion of the student's federal aid was earned and what portion the student must repay. After determining the portion of aid that must be returned to the federal aid programs, another calculation is performed to determine if any funds must be returned to Minnesota aid programs, the university or other private sources. You may also be required to repay some of the financial aid funds you received if you receive all non-passing grades for a semester and it is determined that you did not ATTEND classes for at least 60 percent of the semester. Your aid eligibility may also be impacted if you never attend a course for which you registered.

If you are considering withdrawing from all of your courses and would like to find out how this will impact your financial aid, contact the Business Services Office, located in room 123 of the Administrative Services Building. You may also call them at 320-308-4012 or visit their web site at [www.stcloudstate.edu/billing/refunds/](http://www.stcloudstate.edu/billing/refunds/).

## SATISFACTORY ACADEMIC PROGRESS POLICY FOR FINANCIAL AID RECIPIENTS

All schools that award financial aid are required by federal and state regulations to establish and enforce a satisfactory academic progress policy. The policy defines the standards a student must maintain in order to be eligible to receive financial aid. SCSU's satisfactory academic progress policy has three major components that are taken into account in determining a student's standing:

1) A minimum credit completion percentage. This percentage is calculated by dividing credits completed (SCSU credits earned plus credits accepted in transfer) by credits attempted (SCSU credits attempted plus credits accepted in transfer).

2) A minimum grade point average (GPA) requirement. GPA is calculated using only SCSU credits.

3) A maximum number of credits attempted. This includes all credits attempted at SCSU and credits accepted from other institutions regardless of whether aid was received. After a student has attempted the maximum number of credits, s/he is no longer eligible to receive aid.

You may view the satisfactory academic progress policy on our website at [www.stcloudstate.edu/financialaid/sap.asp](http://www.stcloudstate.edu/financialaid/sap.asp) or contact our office for a printed copy of the policy.

This policy is in addition to the academic policies of the institution.

## TYPES OF AWARDS

### SCHOLARSHIPS

Scholarships are considered gift aid and do not have to be repaid.

#### St. Cloud State University Scholarship

This limited scholarship funding is available to undergraduate students who have completed at least 30 credits at SCSU, who enroll full time and have a cumulative GPA of 3.5 or higher.

#### Charles C. and Laura M. Alliss Scholarship (Alliss Scholarship)

These scholarships are made available to undergraduate Minnesota residents who enroll full time, have displayed a high level of academic achievement, and demonstrate a calculated financial need. These funds are made available through a trust fund established by Mr. and Mrs. Alliss. Charles Alliss was an executive with Minnesota Mining and Manufacturing Company (3M). A major part of the Alliss estate is dedicated to the furtherance of the education of young people.

#### Philip Halenbeck Scholarship

These scholarships are available to undergraduate students who enroll full-time, have displayed a high level of academic achievement, demonstrate a calculated financial need, and who graduated from a central Minnesota high school.

If you are eligible for any of the scholarships listed above and funding is available, the award would be indicated on your award notification. If you were awarded an SCSU departmental scholarship, it will be listed on your award notification if the department has notified the financial aid office of this award.

### Additional Scholarship Options

SCSU's financial aid office website ([www.stcloudstate.edu/financialaid](http://www.stcloudstate.edu/financialaid)) provides a searchable database for both institutional and private scholarship opportunities, as well as links to many free scholarship search sites.

Students also should seek out scholarships made available through high schools, community organizations, professional organizations, churches, employers of students or their parents, employee unions and associations, and veterans' groups.

## GRANTS

Grants are considered gift aid and do not have to be repaid.

### Federal Pell Grant

The Federal Pell grant awards are based on financial need and are available to students who do not have a bachelor's degree. Full-time status for the Pell grant is 12 or more credits per term. Students enrolling in 9-11 credits generally receive 75 percent of a full-time award, and those enrolling in 6-8 credits generally receive 50 percent of a full-time award. Students may be eligible to receive Federal Pell grant funds at less-than-half-time enrollment status. Federal Pell Grant Program regulations prohibit a student from receiving a Pell Grant from more than one school at the same time.

Based on federal regulations, SCSU policy is that your Federal Pell Grant will be paid to you based on the credits you are enrolled in at the end of the free drop/add period. This is usually the sixth class day for fall and spring semesters. If you add a class after this date, your Pell Grant will not be increased based on this change in enrollment.

### Minnesota State Grant

This grant is available to undergraduate Minnesota residents who do not have a first bachelors degree, enroll in at least three credits per term, show financial need, and have attended post-secondary institutions for less than the equivalent of four full years. If you are eligible to receive this grant, your award letter lists your award amount at several different enrollment levels. *PLEASE BE AWARE* that this grant is not prorated based on enrollment status (i.e., a student with seven credits will not receive half of a 14-credit award).

Minnesota Grant payments cannot be released to a student who is more than 30 days in arrears on child support payments. Grant payments are also withheld from students who are delinquent on SELF loan interest payments.

In order to be considered for a Minnesota Grant for a term, your FAFSA (Free Application for Federal Student Aid) must be received by the federal processor by the 30th day of that term.

### Federal Supplemental Educational Opportunity Grant (SEOG)

These limited funds are awarded to students who have Federal Pell Grant eligibility, low expected family contributions, and a high amount of remaining need after other grants and scholarships are awarded.

### TEACH Grant

The federal Teacher Education Assistance for College and Higher Education (TEACH) Grant provides grants to students who agree to serve full-time as a highly qualified teacher, at a school serving low-income students, for at least four years within eight years after completing a course of study for which the TEACH Grant was received. Students must teach in a high-need field. High-need fields are: Bilingual Education and English Language Acquisition, Foreign Language, Mathematics, Reading Specialist, Science, Special Education, or other identified teacher shortage areas as of the time you begin teaching in that field.

Eligible students may receive up to \$4,000 per year. The undergraduate maximum is \$16,000; the graduate maximum is \$8,000. You do not have to demonstrate financial need to be eligible for the TEACH Grant; however, you must complete the FAFSA and SCSU financial aid application process. If you fail to complete the required four-year teaching obligation or the TEACH Grant requirements, the grant will be permanently converted to a direct unsubsidized Stafford loan. You must repay this loan with interest accrued from the date of each TEACH Grant disbursement.

To be eligible to receive the TEACH grant, you must:

- Be a U.S. citizen or eligible non-citizen.
- Meet the academic achievement requirements
- Be accepted into a St. Cloud State TEACH Grant-eligible major. Visit the Financial Aid Office website for TEACH Grant-eligible majors at SCSU.
  - Be enrolled in coursework necessary to begin a career in teaching or plan to complete such coursework. NOTE: If you currently hold a baccalaureate degree and are only enrolled in coursework at SCSU leading to a teaching license or certificate, you are not eligible for a TEACH Grant at St. Cloud State. Students working on a bachelor of elective studies (BES) degree are also not eligible.

Visit the Financial Aid Office website for more information regarding the TEACH Grant.

### Minnesota Post-Secondary Child Care Grant Program

Students who have children 12 years of age or younger may be eligible for child care assistance. Eligible students must be Minnesota residents pursuing their first bachelor's degree who are not recipients of MFIP/AFDC/TANF. Students who already have attended post-secondary institutions for the equivalent of four full-time years are not eligible. The grant amount is deter-

mined by the size and income of the student's family.

Additional information and application materials are available in the Financial Aid Office.

Students who are receiving MFIP/AFDC/TANF should contact their county social services office to check if they are eligible for child care assistance through the county.

### Minnesota G.I. Bill

The Minnesota G.I. Bill provides post-secondary educational assistance to eligible Minnesota veterans who served on or after September 11, 2001, eligible non-veterans, or a surviving spouse or child of a veteran. Full-time undergraduate or graduate students may be eligible to receive up to \$1,000 per semester, and part-time students can receive up to \$500 per semester. Additional information and application materials are available in the Financial Aid Office.

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## FEDERAL AND MINNESOTA COLLEGE WORK STUDY PROGRAMS

These programs assist you with the payment of your school expenses by providing employment.

If you were awarded work study on your award letter and wish to accept it, please click on the link directing you to [www.scsucareers.com](http://www.scsucareers.com). You will find instructions on how to log into the system. On this site you will be able to apply for available positions. A resume must be uploaded when you apply for a position. The department supervisor will contact you if you are chosen for a position and will arrange an appropriate work schedule with you. Once you earn the amount of your allocation, you may not continue to work under the work study program.

Since work study is employment, you will be paid every two weeks for the hours worked. The preferred method to receive your paycheck is direct deposit. The payroll direct deposit form may be downloaded from the Business Services Office website at [www.stcloudstate.edu/businessservices](http://www.stcloudstate.edu/businessservices). Click on "payroll" and you will find a list of links to payroll-related forms, including one for the direct deposit form. Paper checks for on-campus jobs are available from the department; off-campus paper checks are available in the Business Services Office, Room 123 in the Administrative Services Building.

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## LOANS

Loans are funds that must be repaid with interest.

Different loans have various interest rates and terms of repayment. Be sure to carefully read the loan agreement before you sign. All federal loan programs require students to be enrolled on at least a half-time basis (six or more credits per term) to be eligible to borrow.

### Federal Perkins Loan

The interest rate on the Federal Perkins Loan is five (5) percent, and interest begins nine (9) months after you graduate, withdraw or enroll less than half time. Payments are due monthly with the minimum being \$40.

A borrower is entitled to have the repayment of a loan deferred under certain circumstances. A deferment is a period of time during which the borrower is not required to make payments. Interest will not accrue during most types of deferment, except Federal Forbearance.

Deferments may be granted in the following situations:

- Enrolled at least half time as a regular student in an eligible institution
- Enrolled and in attendance as a regular student in a course of study that is part of a graduate fellowship program approved by the Department of Education
- Engaged in graduate or post-graduate fellowship
- Rehabilitation Training program for disabled individuals (3 year limit)
- Unemployment (3 year limit)
- Suffering an economic hardship

Cancellation benefits may be possible for full-time employment in certain fields such as:

- Teaching
- Nursing
- Medical Technician
- Qualified Professional Provider of Early Intervention Services
- Child and Family Service Agency Employee
- Law Enforcement
- Military Cancellation
- Prekindergarten or Child Care Program
- Full-time Fire Fighter
- Librarian with Master's Degree
- Speech Language Pathologist
- Full-time Public Defender

For information on your Perkins loan, contact:

Minnesota State Colleges and Universities  
Campus Service Cooperative  
Student Loan Service Center  
1312 Harmon Place  
Minneapolis, MN 55403-1925  
Phone: 612-548-2050  
Toll Free: 1-855-508-4506 (outside metro)  
Fax: 612-341-7301  
Website: [www.slsc.mnscu.edu](http://www.slsc.mnscu.edu)  
Email: [loans@csu.mnscu.edu](mailto:loans@csu.mnscu.edu)

Billing and payment processing for Minnesota State Colleges & Universities will be done by ECSI. Customers will have online access to their accounts. Payments should be sent to:

ECSI-MnSCU  
181 Montour Run Road  
Coraopolis, PA 15108  
Web: www.ecsi.net  
Phone: 1-888-549-3274

**Federal Direct Loan**

There are two types of Federal Direct Loans: subsidized and unsubsidized. To qualify for a subsidized Direct Loan, a student must show financial need. Eligibility for the unsubsidized Direct Loan is not based on financial need. Funding for these loans comes directly from the federal government. A cosigner is not required for the Direct Loans, and the borrower's credit rating is not checked to determine eligibility.

Federal Direct Loan borrowers are charged a one (1) percent origination fee. There is a one-half (.5) percent up-front interest rebate given to borrowers, which results in a one-half (.5) percent fee being charged at the time of disbursement. To retain the one-half percent interest rebate, borrowers must make their first 12 monthly payments on time when the loan goes into repayment. Borrowers who do not make the required 12 on-time payments will have this rebate amount added back to their principal balance at that time.

Repayment on Direct Loans begins six months after you graduate, withdraw, or enroll less than half time. Payments are made on a monthly basis with a minimum payment of \$50 per month. Once the loan is in repayment status, Direct Loan deferments are available for various reasons specified by law. Borrowers may defer payments for the following reasons:

- enrolled in school at least half time
- unemployment
- economic hardship

You are responsible for being aware of the terms of the loan at the time you sign a promissory note. The standard repayment period on the Direct Loan program is 10 years, excluding periods during which a borrower has been granted a deferment or forbearance. There are other repayment options available as well.

**Federal Direct Loan Master Promissory Note.** If you borrow under the subsidized or unsubsidized Direct Loan program, and you have not previously borrowed under either of these programs, you will need to complete a Federal Direct Loan Master Promissory Note (MPN).

This MPN is a legal document on which you promise to repay your Direct Loans, and to abide by all the terms and conditions of the Direct Loan program. This MPN is good for all subsidized and unsubsidized Direct Loans for up to 10 years, even if you change schools. You will complete

the MPN when you accept the loan directly from your award letter online. Your loan request will not be processed until you have completed an MPN.

**Annual Direct Loan Limits.** Undergraduate students are eligible to borrow up to the annual program maximum once for each 12-month academic year (fall, spring and summer). If you borrow the maximum loan amount at your grade level for a fall/spring loan, you will not be able to borrow under the Direct Loan program for summer.

**Direct Loan Proration.** Undergraduate students graduating during this academic year and attending less than a full academic year are required by federal law to have their Direct (subsidized and unsubsidized) Loan amounts prorated. For example, a senior who is graduating after fall semester cannot receive more than \$2,750 (half of the annual maximum of \$5,500) in a subsidized Federal Direct Loan. Contact the Financial Aid Office for more information regarding Direct Loan proration.

**Direct Loan Entrance Counseling.** If you borrow under either the subsidized or unsubsidized Federal Direct Loan program and you have not previously borrowed under either of these loan programs, federal regulations require that you complete loan counseling. You will complete this loan counseling when you accept the loan directly from your award letter online.

Your loan request will not be processed until you have completed this loan counseling.

**Direct Loan Exit Counseling.** Federal law requires the financial aid office to provide subsidized and unsubsidized Direct Loan borrowers with exit loan counseling at the time of graduation or leaving school. The Financial Aid Office will contact you regarding exit loan counseling at the time you apply for graduation or drop below half-time enrollment status.

**Subsidized Federal Direct Loan.** This loan is available to students who demonstrate financial need, which is determined using a federal formula. Subsidized Direct Loans disbursed to undergraduate students between July 1, 2011, and June 30, 2012, have a 3.4 percent fixed interest rate. The interest rate for graduate students is fixed at 6.8 percent. No interest is charged on subsidized Direct Loans while the student is in school at least half time and during the six month grace period after the student ceases half-time enrollment.

The maximum annual loan amounts per grade level in the subsidized Direct Loan program are as follows:

Grade Level 1 (0-29 semester credits completed).....	\$3,500
Grade Level 2 (30-59 semester credits completed)....	\$4,500
Grade Level 3 (60-89 semester credits completed)....	\$5,500
Grade Level 4 (90 + semester credits completed).....	\$5,500
Grade Level 5 (undergraduate with bachelor's degree - student must be accepted into another undergraduate degree or certificate program).....	\$5,500
Grade Level 6 or 7 (graduate student).....	\$8,500

The maximum aggregate amount a student may borrow as an undergraduate is \$23,000. The maximum amount a student may borrow for an undergraduate and graduate education combined is \$65,500.

**Note:** Students who are eligible to borrow under the subsidized Direct Loan program must accept this loan before an unsubsidized Direct Loan, Direct PLUS Loan, or private loan can be processed.

**Unsubsidized Federal Direct Loan.** Eligibility for this loan is not based on financial need. Unsubsidized Direct Loans have a fixed 6.8 percent interest rate for undergraduate and graduate students. The student is responsible for paying all of the interest that accrues on this loan during the in-school period, during the six-month grace period, and during periods of repayment or deferment. The interest may either be paid periodically or may be capitalized and added to the principal amount.

The maximum annual loan amounts for the unsubsidized Direct Loan program are as follows:

FOR DEPENDENT STUDENTS	
Grade Level	Maximum Loan
1	\$5,500 minus subsidized Direct Loan amount
2	\$6,500 minus subsidized Direct Loan amount
3-5	\$7,500 minus subsidized Direct Loan amount

The maximum aggregate amount a dependent student may borrow for an undergraduate education is \$31,000 (combined subsidized and unsubsidized Direct Loans).

FOR INDEPENDENT STUDENTS	
Grade Level	Maximum Loan
1	\$9,500 minus subsidized Direct Loan amount
2	\$10,500 minus subsidized Direct Loan amount
3-5	\$12,500 minus subsidized Direct Loan amount
6-7	\$20,500 minus subsidized Direct Loan amount

The maximum aggregate amount an independent student may borrow (subsidized and unsubsidized Direct Loans combined) for an undergraduate education is \$57,500. For an undergraduate and graduate education combined the maximum aggregate Direct Loan (subsidized and unsubsidized) amount is \$138,500. These are the amounts specified by federal law. However, federal regulations also stipulate that a student cannot receive financial aid in excess of his/her cost of attendance. Therefore, many students are not able to borrow the full amounts listed.

#### **Federal Direct Parent Loan (PLUS)**

The Direct PLUS program enables parents of dependent students to borrow funds to assist their son or daughter with educationally related expenses. The maximum amount a parent may borrow is equal to the student's cost of attendance minus any other aid the student will receive. The Direct PLUS loan interest rate is fixed at 7.9 percent. There is a four (4) percent origination fee charged on Direct PLUS loans at the time of disbursement. However, there is also an upfront interest rebate of one and a half (1.5) percent given to the borrower, which results in a two and a half (2.5) percent fee being charged at the time of disbursement. To retain this interest rebate the borrower must make the first 12 monthly payments on time. Direct PLUS loan repayment begins 60 days after the full amount of the loan has been disbursed.

#### **Private Loans**

Private loans are student loan programs offered through private lending institutions. These programs should be considered as a last resort after you have exhausted your other funding options. Borrowing should be limited to necessary school-related expenses. A list of some of the private loan programs available may be obtained in the financial aid office or on our website at [www.stcloudstate.edu/financialaid/types/loans-private.asp](http://www.stcloudstate.edu/financialaid/types/loans-private.asp)



# ST. CLOUD STATE UNIVERSITY <sup>TM</sup>



A MEMBER OF THE MINNESOTA STATE COLLEGE AND UNIVERSITY SYSTEM

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TTY: 1-800-627-3529 St. Cloud State University is an affirmative action/equal opportunity educator and employer. This material can be made available in an alternative format. Contact the department/agency listed above.