

# DIRECT FEDERAL AID

Unlike the limited funding for the campus-based aid programs, federal funding for the direct aid programs is available to all students who meet the eligibility requirements, but annual limits still apply.

## Federal Pell Grant

This federal grant is for first bachelor's degree candidates who have exceptional financial need. Scheduled Pell Grant awards range from \$0 to \$7,395 depending on the student's EFC. The maximum award can change each award year and depends on program funding. Most students can only receive Pell Grant awards for the equivalent of 12 terms of full-time awards. Different rules apply to students who received their first Pell Grant payment before July 1, 2008.

## Federal Direct Student Loan Program

These long-term loans are for first and second bachelor's degree students, as well as certificate and graduate students. To apply for these loans:

1. Submit a FAFSA.
2. Wait for your Financial Aid Notification.
3. Follow the loan instructions in the Financial Aid Award Guide.

Borrowers must carry at least 6 units per term.

Students may receive a combination of Subsidized and/or Unsubsidized loans depending on their financial need.

- Subsidized loans require financial need and the government pays all the interest on these loans while students are enrolled.
- Unsubsidized Loans do not require financial need and students are responsible for all interest costs.
- For current interest rates, see rates.

## Direct Subsidized Loans

Subsidized loans require financial need. No interest charges accrue, and no payments are required during the enrollment deferment periods. Enrollment deferments apply while students are enrolled at least half-time in undergraduate or graduate degrees/programs that are approved for federal Title IV aid. The six-month grace periods begin when borrowers graduate, withdraw or drop below half-time enrollment (at least 6 units). During the grace periods, payments are still deferred but interest accrues. When grace periods end, students must start repaying their loans and all interest that accrues during the grace and repayment periods.

## Direct Unsubsidized Loans

These loans do not require students to demonstrate any financial need. Students are responsible for all interest costs and interest accrued during enrollment, and throughout the grace period and repayment. Students can defer payments during enrollment periods by choosing to capitalize their interest, but capitalization increases the loan principal and overall borrowing costs.

## Annual Direct Loan Limits

### Dependent Students

| Grade Level | Earned Units | Base Sub or Unsub Loan <sup>1</sup> | Additional Unsubsidized Loan <sup>1</sup> | Total Direct Loans |
|-------------|--------------|-------------------------------------|-------------------------------------------|--------------------|
| Freshman    | 0-29         | \$3,500                             | \$2,000                                   | \$5,500            |
| Sophomore   | 30-59        | \$4,500                             | \$2,000                                   | \$6,500            |
| Junior      | 60-89        | \$5,500                             | \$2,000                                   | \$7,500            |
| Senior      | 90+          | \$5,500                             | \$2,000                                   | \$7,500            |

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| Grade Level | Earned Units | Base Sub or Unsub Loan <sup>1</sup> | Additional Unsubsidized Loan <sup>1</sup> | Total Direct Loans |
|-------------|--------------|-------------------------------------|-------------------------------------------|--------------------|
| Freshman    | 0-29         | \$3,500                             | \$6,000                                   | \$9,500            |
| Sophomore   | 30-59        | \$4,500                             | \$6,000                                   | \$10,500           |
| Junior      | 60-89        | \$5,500                             | \$7,000                                   | \$12,500           |
| Senior      | 90+          | \$5,500                             | \$7,000                                   | \$12,500           |

<sup>1</sup> The base amount is subsidized, unsubsidized, or a combination of both depending on the student's financial need.

## Aggregate (Lifetime) Direct Loan Limits

| Applicant Type       | Subsidized Limit | Combined (Sub and Unsub) Limit |
|----------------------|------------------|--------------------------------|
| Dependent Students   | \$23,000         | \$31,000                       |
| Independent Students | \$23,000         | \$57,500                       |

"Independent Student" status is defined on your FAFSA based on at least one of the following criteria:

- Age 24 years on or before December 31 of the academic year during which financial aid is received
- Veteran of the U.S. Armed Forces or serving on active duty in the U.S. Armed Forces for purposes other than training
- Married at the time of application for aid
- Have children who receive more than half of their support from the aid applicant, or have other dependents living with the student who receive more than half of their support from the student, now and through June 30 of the year in which student financial aid is received.
- Orphan, or foster care, or a ward of the court, or having been in foster care, or a ward of the court at any time when the individual was 13-years old or older, or was immediately prior to attaining the age of majority,
- An emancipated minor or in legal guardianship as determined by a court
- Unaccompanied Homeless Youth status as defined by the FAFSA.

## Federal Direct PLUS Loan for Parents

Parents of dependent students can apply for PLUS loans. Applicants do not have to demonstrate any financial need but must submit a FAFSA and must pass the U.S. Department of Education's credit check process. The maximum loan amount is the student's total annual cost of education budget minus all other aid received.

Interest begins to accrue at the time of disbursement. All borrowers also pay a loan origination fee to the U.S. Department of Education. TU must deduct this fee from the loan proceeds. For current interest rates and origination fees, see rates.

Parent borrowers have the option to begin repayment 60 days after the loan is fully disbursed or to defer payments until six months after the listed student ceases to be enrolled for at least 6 units, but interest accrues during the deferment period.

The student's Financial Aid Notification will include PLUS Loan application instructions.