

FEDERAL DIRECT STAFFORD LOAN PROGRAM

Direct Loans are low-interest fixed-rate loans for students to help pay for the cost of their education after high school. The lender is the U.S. Department of Education, rather than a bank or other financial institution. There are two types of Federal Direct Stafford Loans available to students.

A. DIRECT LOAN INFORMATION

- Federal Subsidized Direct Loan:** Your eligibility is based on your financial need and your academic level (see charts below). You don't have to make any payments until six months after you graduate or cease to be enrolled at least half time. The government pays the interest while you are enrolled at least half-time in school.
- Federal Unsubsidized Direct Loan:** Your eligibility is not based on financial need. You may borrow the cost of education minus all other financial aid you receive, up to the amount allowed for your academic level (see charts below). You have two choices for paying interest: you may pay it while you are enrolled full time, or it can accrue and become part of the principal that you will owe. You begin making payments six months after you graduate or cease to be enrolled at least half time.
- For up-to-date interest rates and origination fees please visit www.studentaid.gov

B. LOAN REQUIREMENTS

- If you are a first-time Federal Direct Stafford Loan borrower, **before you can receive any funds to your account, you must complete the following two steps which can be found at <https://studentaid.gov>**
- Electronic Master Promissory Note (EMPN)
- Electronic Entrance Counseling

C. STAFFORD LOAN AMOUNTS

- The maximum Federal Direct Stafford Loan amounts available vary according to academic level and FAFSA based dependency status. Please see the tables below for more information.

Dependent Undergraduate Students			
Academic Level	Maximum Amount of Subsidized Loans	Unsubsidized Loan Amounts	Maximum Loan Totals Per Year
Freshman	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$2,000	\$6,500
Junior/Senior	\$5,500	\$2,000	\$7,500

Independent Undergraduate Students			
Academic Level	Maximum Amount of Subsidized Loans	Unsubsidized Loan Amounts	Maximum Loan Totals Per Year
Freshman	\$3,500	\$6,000	\$9,500
Sophomore	\$4,500	\$6,000	\$10,500
Junior/Senior	\$5,500	\$7,000	\$12,500

Direct PLUS Loan Information

Federal Direct PLUS Loans allow parents to borrow on behalf of their dependent undergraduate children who are enrolled at least half time at a postsecondary school. When you apply for a Direct PLUS Loan, the Department of Education will check your credit history. In addition, parents must be a U.S. citizen or eligible non-citizen, and must not be in default on any federal loans. Students must meet Satisfactory Academic Progress and have filed a 2025-2026 Free Application for Federal Student Aid (FAFSA). Parents can borrow up to the amount of the Total Cost of Attendance, minus any other aid the student is receiving. For up-to-date interest rates and origination fees, please visit www.studentaid.gov. For PLUS loans, the borrower has the option of beginning repayment on the PLUS loan either 60 days after the loan is fully disbursed or deferring repayment until six months after the dependent student (on whose behalf the parent borrowed) ceases to be enrolled at least half-time.

A. LOAN APPLICATION DIRECTIONS

There are two steps to apply for a Direct PLUS Loan:

- Step one:** Complete the application on-line at www.studentaid.gov. Upon submitting your application, a credit check will be completed and an approval or denial decision will be made immediately. If you are approved for the Parent PLUS Loan you will need to complete the second step below.
- Step two:** The second step is to complete a Master Promissory Note (MPN) online with the federal government at www.studentaid.gov. The document will need to be signed electronically by using the FSA ID that was granted to the parent who is applying for the loan. An FSA ID can be obtained at <https://fsaid.ed.gov>.
Please do not complete this step until after May 1, 2025.

B. LOAN PROCESS

If you are approved for a PLUS loan, and the Master Promissory Note is complete, we will disburse the funds to the student's account on the scheduled disbursement date. If you do not qualify for a PLUS loan, you will be notified in writing along with your options. If you believe that the credit decision is incorrect you may appeal the credit decision. You also have the option to get a cosigner or bypass the PLUS loan, which allows the student to take an additional Unsubsidized Stafford Loan of up to \$4,000 for freshmen and sophomores, or up to \$5,000 for juniors and seniors. A form for the student to request the additional unsubsidized loan is available at the Carthage College Office of Student Financial Services.