

Federal Loans

PLEASE NOTE: *Freshman students, who are first-time borrowers, must wait 30 days into their first semester before they are eligible to receive their student loan funds.*

Important Information for First-time Borrowers:

Effective July 1, 2013, the Moving Ahead for Progress in the 21st Century Act established a new provision to Federal Direct Loan statutory requirements that limits a first-time borrower's eligibility for Federal Direct Subsidized Student Loans to a period not exceed 150 percent of the length of the borrower's educational program (the 150% limit). A first-time borrower is a student who has no outstanding balance of principal or interest on a Federal Direct or FFEL student loan as of July 1, 2013. Congress wants to encourage students to obtain undergraduate degrees within a reasonable time frame. Students who change majors multiple times or, drop classes excessively or retake classes excessively are most likely to be affected by Public Law 121-141. The Government will no longer provide interest rate deferments for students taking an exceptional amount of time to obtain an undergraduate degree. The interest rate expense will now be passed along to the student in such cases.

Eligibility & Limitations

Students borrowers who exceed 150% limit will no longer be eligible for a Federal Direct Subsidized Loan or loan interest subsidy. Once the student has exceeded the 150% of the published length of the student's current educational program, the student will only be eligible to receive Unsubsidized Student Loans. Below are examples of the 150% maximum eligibility periods for Dixie State University degree and certificate programs:

Program Length		Maximum Eligibility Period
4-year bachelor degrees	x 1.5	6.0 years
2-year associate degrees	x 1.5	3.0 years
1-year certificate programs	x 1.5	1.5 years

A borrower who loses eligibility for additional subsidized loans as a result of reaching the maximum eligibility period also loses the interest subsidy on subsidized loans received on or after July 1, 2013 for all periods if the student did not complete the program in the 150% time frame **and** continues enrollment in the same program or enrolls in another program of the same or shorter length. The loss of the interest subsidy would be effective on the date of the continued or new enrollment. Additional information can be found [here](#).

Please Note: The determination of the 150% limit on Federal Direct Subsidized Loan eligibility is not the same as DSU's standard of Satisfactory Academic Progress (SAP) maximum time frame of 150% for completion of a degree or certificate program. The financial aid standard of Satisfactory Academic Progress maximum time frame is based on 150% of the program length as determined by total attempted credits.

Types of Federal Loans

Federal Direct Subsidized Loans

They are part of the Federal Student Loan Program. The funds are received directly for the U.S. Department of Education. The subsidized amount that may be borrowed depends on the borrower's need and year in school. The interest rate is a maximum of 6.8%. The minimum monthly payment, which begins 6 months after the borrower ceases to be enrolled at least half-time, is \$50 (subject to change). Students must be enrolled at least half time to be eligible to receive a loan. **PLEASE NOTE:** Any Federal Direct Subsidized Loan originated and disbursed after July 1, 2012 will be subject to new rules governing the 6 month grace period. The Federal Government will NOT pay any interest accrued during any grace period.

Federal Direct Unsubsidized Loans

Are another Federal Student Loan Program. They are available to any students enrolled at least half time who meet the general eligibility criteria. Subject to annual limits, the unsubsidized loan may not exceed the cost of education minus financial aid. The interest rate is a maximum of 6.8% and accrues during in-school, grace and deferment periods. Interest may be paid monthly, quarterly, or added to the principal amount of the loan (capitalization). Students must be enrolled at least half time to be eligible to receive a loan.

Federal Direct Parent Loan for Undergraduate Students (PLUS)

This is a Federal Student Loan Program alternative specifically designed for parents to borrow to assist their undergraduate student's education expenses. Parents of dependent students enrolled at least half-time may borrow from the U.S. Department of Education. The maximum interest rate is 7.9%. Not based on need, the amount of the PLUS may never exceed the student's cost of attendance (as determined by the University) minus the student's financial aid.

Repayment of principal (unless deferred) and interest begins 60 days after the loan is disbursed. Students must be enrolled at least half time to be eligible to receive a loan.

Federal Perkins Loan

This is an excellent long-term loan for those students who demonstrate exceptional need. Although the money must be repaid, no payments are required and no interest is accrued until nine months after the borrower ceases to be enrolled at least half-time. When interest begins to accrue it is at the rate of 5% per year (subject to change). A minimum monthly payment of \$40 (subject to change) is required. Under special circumstances payment may be temporarily deferred for a time. Online loan counseling is required yearly for every student who receives this loan. Federal Perkins loan can be forgiven for some recipients who work in specific jobs. Please contact the financial aid office for details. Students must be enrolled at least half time to be eligible to receive a loan.

Student Loan Information

2017-2018 Student Loan Interest Rates:

Undergraduate Subsidized & Unsubsidized Direct Loans	4.45%
Direct PLUS Loans	7.00%

Student Loan Counseling

Entrance Federal Direct Student Loan Counseling: Any student who wishes to receive a Federal Direct Student Loan must complete the Entrance Federal Direct Student Loan Counseling when you apply for student loans at Dixie State University. This is only required once while attending DSU.

Exit Federal Direct & Federal Stafford Student Loan Counseling: When you are no longer enrolled at least half time at Dixie State University and have borrowed from the Federal Direct or Federal Stafford Student Loan programs, you are required by law to complete Student Loan Exit Counseling. The information in this module will provide you with critical information about your loans and how to repay them. Failure to complete Exit Loan Counseling will result in holds being placed on your DSU student file.

Entrance Federal Perkins Loan Counseling: You will need to complete the Entrance Federal Perkins Loan Counseling each year you receive a Federal Perkins Loan at Dixie State University. Contact Lisa Howard at, lisa.howard@dixie.edu or

call (435) 652-7607. You will need to set up an appointment to sign your Federal Perkins Loan promissory note. Her office is located on the first floor of the Holland Centennial Commons Building.

Exit Federal Perkins Loan Counseling: When you are no longer enrolled at least half time at Dixie State University and have borrowed from the Federal Perkins Loan program, you are required to complete exit loan counseling. Please contact Lisa Howard at, lisa.howard@dixie.edu or 435-652-7607 to complete this federal requirement. Failure to complete Exit Loan Counseling will result in holds being placed on your DSU student file.