



Federal Direct Loan Program

The **Federal Direct Loan Program** offers low-interest, long-term educational loans to students who are enrolled at least half-time. Federal Direct Loans may fall into one of two categories, subsidized or unsubsidized, depending on a student's financial need. With subsidized (need-based) Federal Direct Loans, the interest is subsidized (or paid by the federal government) while the student is enrolled at least-half time at an eligible institution. With unsubsidized (non-need-based) Federal Direct Loans, interest accrues on the loan while the student is enrolled at least half-time; the student is given the option of paying the interest at interim periods determined by the lender or allowing the interest to accrue until it is added to the principal amount of the loan following the six-month grace period. All Federal Direct Loans are guaranteed by the federal government and are provided through the U.S. Department of Education. Those who participate in the Federal Direct Loan Program are required to complete a Master Promissory Note (MPN) and Entrance/Exit Counseling at www.studentloans.gov (see below). Once a school enters into an agreement with a potential student, student or student's parent regarding Title IV, HEA loan, that information will be accessible by guaranty agencies, lenders and schools determined to be authorized users of the National Student Loan Data System, NSLDS.

The **Federal Direct PLUS Loan Program** offers loans to parents of dependent students enrolled at least-half time, regardless of parental financial need. As with the unsubsidized program, interest begins to accrue immediately upon disbursement of Federal Direct PLUS Loan proceeds. For additional information or to apply, please go to www.studentloans.gov.

Entrance Counseling

Except for parent Direct PLUS Loan borrowers, a student **must** complete entrance counseling, www.studentloans.gov, before the first disbursement of a loan can be applied to his/her account. Entrance counseling explains the student's rights and responsibilities regarding his/her loan.

Exit Counseling

Recipients of Federal Direct Loans are required to complete exit counseling on the National Student Loan Direct website, www.nsls.ed.gov, upon graduation, dropping below half-time status, or official or unofficial withdrawal from the College. Information regarding management and repayment of loans is provided.