DOUGLAS Education Center

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LOAN TERMS AND CONDITIONS

DIRECT STAFFORD AND PLUS LOAN TERMS AND CONDITIONS

In addition to the information presented earlier, a borrower should be familiar with all the terms and conditions of his/her federal student loans. Review all of the information included with the MPN.

Aggregate Loan Limits: The maximum aggregate debt for an undergraduate student is $31,000 for dependent students and $57,500 for independent students. The aggregate limit is the total of both Subsidized and Unsubsidized Stafford Loans. No more than $23,000 of the aggregate limit can be Subsidized Stafford Loans.

Loan Fee: A Direct Loan borrower must pay a Loan Fee to the lender to make an educational loan. The amount of the fee varies annually. For current fees, contact the Financial Aid Office or go to www.studentaid.gov.

Interest Rate: Interest is money paid to the lender in exchange for borrowing money. Interest is calculated as a percentage of the unpaid principal amount (loan amount) borrowed. The interest rate changes annually and varies depending on the loan type and the first disbursement date of the loan. For current interest rates, contact the Financial Aid Office or go to www.studentaid.gov.

Grace Period: The grace period is a set period of time after a student graduates, leaves school, or drops below half-time enrollment before he/she must begin repayment on the loan. The grace period gives a student time to get financially settled and to select a repayment plan.

- Direct Subsidized and Unsubsidized Stafford Loans have a six-month grace period before payments are due.
- PLUS loans have no grace period. They enter repayment once they are fully disbursed but may be eligible for a deferment. Repayment: The amount and number of monthly payments depends on
  - the type of loan a borrower receives,
  - how much money is borrowed,
  - the interest rate on the loan, and
  - the repayment plan the borrower chooses.

Non-Consolidation Borrowers:

Debt When Loan Enters Repayment	Standard		Extended Fixed		Extended Graduated		Graduated	
	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
$5,000	$58	$6,904	N/A	N/A	N/A	N/A	$40	$7,275
10,000	115	13,809	N/A	N/A	N/A	N/A	79	14,550
25,000	288	34,524	N/A	N/A	N/A	N/A	198	36,375
50,000	575	69,048	347	104,109	284	112,678	396	72,749
100,000	1,151	138,096	694	208,217	568	225,344	792	145,498

For information on repayment options, debt management strategies, deferments, forbearance, consolidation and cancellation options as well as for complete loan terms, contact the Financial Aid Office or go to www.studentaid.gov.