

Federal Stafford Student Loans



ELIGIBILITY REQUIREMENTS FOR A FEDERAL STUDENT LOAN

To be eligible to borrow you must be:

1. a United States Citizen/national, or must have filed a declaration of intent to become a citizen, or eligible noncitizen,
2. enrolled or accepted for enrollment at an eligible participating post-secondary school,
3. not in default on any other student loan nor owe a refund on an education grant,
4. making satisfactory academic progress as defined by the college or university attending,
5. accepted for enrollment on at least a halftime undergraduate or at least 5 semester hours for graduate or at least 3 semester hours for doctorate at Amridge University, and
6. in compliance with selective service requirements.

TYPES OF FEDERAL STAFFORD STUDENT LOANS

Subsidized Stafford loans are based on financial need. The federal government pays the interest on the loan while the student is in school, during grace periods, and during authorized periods of deferment.

Unsubsidized Stafford loans are not based on financial need. These loans are designed for students who do not qualify for a subsidized loan or for those subsidized borrowers who need additional funds. Borrowers are responsible for paying the interest that accrues during any period. This interest may be paid while in school or the interest may be added to the loan principal.

BEFORE YOU BORROW

Please know that a Federal Stafford loan is a loan. You are required to repay it - even if you don't finish your academic program or your academic program does not meet your expectations. You must begin repaying your loan six months after you graduate or drop below attendance on a half-time basis.

FEES

Certain fees may be deducted from your loan amount prior to the University receiving the disbursed funds. The lender may deduct an origination fee of 1%-1½%, and the guaranty agency may deduct an additional 1% fee.

LOAN PROCEEDS

Before your initial disbursement, you must have a Master Promissory Note (MPN) on file with Sallie Mae, the Disbursing Agency for our loans. Loan disbursements will be transmitted directly to Amridge University via Electronic Funds Transfer (EFT). Your loan proceeds will be credited to your student account. **Any amount in excess of tuition and fees will automatically be mailed to you ten working days after the first day of the semester or ten days after disbursement, whichever is later.**

Important Reminder - Your loan refund from Amridge University is never available until after you attend the first class meetings. You, as a student, are responsible to obtain your books and other course materials before your first class meeting and your loan refund arrival.

IRS TAX FORM 1098T

Amridge University's Business Office will mail a 1098T form to each student who has received loan proceeds to pay for tuition and fees within the calendar year by the last working day in January of the next year. This form is used by federal tax filers to determine eligibility for Hope and Lifetime Learning tax credits.

What are the features and benefits of a Federal Stafford loan?

You can borrow up to the maximum Stafford amount available for your grade level. The federal government pays interest on Subsidized Stafford loans while you are enrolled in school on at least a half-time basis and for a six-month grace period afterward. If you aren't fully eligible for need-based subsidized funding, you may get an Unsubsidized Stafford loan for any remaining Stafford eligibility. However, you will be responsible for all interest that accrues on your unsubsidized loan from the date of disbursement.

What are the Federal Stafford loan limits?

	Dependent Students*	Independent Students		
		Subsidized	Unsubsidized	Total
Freshman	\$3,500	\$3,500	\$ 6,000	\$ 9,500
Sophomore	\$4,500	\$4,500	\$ 6,000	\$10,500
Junior/Senior	\$5,500	\$5,500	\$ 7,000	\$12,500
Graduate/Professional		\$8,500	\$12,000	\$20,500

*If you are a dependent undergraduate, and your parent has been denied a PLUS loan, you can request up to the totals shown in the table for independent students.

Dependent undergraduates \$ 31,000 (no more than \$23,000 of which may be subsidized)

Independent undergraduates \$ 57,500

Graduates or professionals \$138,500** (no more than \$65,500 of which may be subsidized)

** Exceptions may apply to certain graduate students.

What are the terms of a Stafford loan?

Fixed Interest Rate

☞ Life of Loan

Fees

☞ Up to 1% lender origination fee, up to 1% guarantee fee deducted from loan proceeds at disbursement

Repayment terms

☞ Up to 10 years

☞ Longer terms are available; consult your Lender

Repayment begins

☞ 6 months after you leave school or drop below half-time status

☞ If not paid, interest on Unsubsidized Stafford funds will accrue and be capitalized

Repayment options

☞ Standard (regular principal and interest payments)

☞ Graduated (2 or up to 4 years interest only, followed by standard payments)

☞ Income-sensitive (based on gross income)

☞ Loan consolidation (extended repayment term)

STAFFORD LOAN LENDER INFORMATION

Amridge University has established working relationships with a number of nationwide federal student loan organizations. USA funds is our primary Federal Student Loan Guarantor and Sallie Mae is our primary Loan Disbursing Agent. We work with a variety of federal student loan lenders.

If you have previously had Stafford Loans while attending Amridge University, we will use your prior lender. If you have received loans at another institution and have a valid Stafford Master promissory Note (MPN) on file with our Disbursing Agent we will use your most recent lender. If you wish to change lenders please email financialaid@amridgeuniversity.edu with your request. If you are a first time borrower at Amridge University and do not have an MPN on file, a list of lenders will be available when you complete the MPN online. All lenders on the list have a positive working history with Amridge University. **You are not required to use a lender on the list. If you prefer a lender not listed select 'OTHER' and email financialaid@amridgeuniversity.edu with your lender choice.** You will be emailed with the link to e-sign your MPN. Please follow the instructions in the email.

Financial Aid Office • 1200 Taylor Road • Montgomery, AL 36117-3520

800-351-4040 • FAX 334-387-3878

www.amridgeuniversity.edu

