

## HOW YOUR FEDERAL STUDENT LOAN ELIGIBILITY WAS DETERMINED

Your eligibility amount was determined using a Cost of Attendance (COA) budget that we establish including **tuition** based on your enrollment level and program, a **room and board** allowance (even if you don't live on campus, you have living costs associated with attending school), and an allowance for **books and supplies, personal expenses and transportation costs**. We subtract the Expected Family Contribution (EFC) as calculated on your Free Application for Federal Student Aid (FAFSA). The difference between these two figures is called "Demonstrated Financial Need."

It is important for you to know that we may revise your eligibility if any elements of your COA budget changes. For example, if we prepare an initial award based on your intention for full-time enrollment, we may reduce your award if you subsequently change to part-time enrollment because your tuition will be less for part-time enrollment. Graduate students must be enrolled a minimum of 3 credits per term to receive any loan eligibility.

## UNDERSTANDING YOUR FINANCIAL AID

**STUDENT LOANS** are available through the Federal Family Educational Loan Program. The Federal Family Education Loan Program (FFELP) includes three specific federal loan programs: the Subsidized Stafford Loan Program, Unsubsidized Stafford Loan Program and the PLUS Loan Program.

**Subsidized Stafford Loans** are limited to the amount of demonstrated financial need. "Subsidy" is provided by the Federal government paying the interest while the student is enrolled at least half-time.

**Unsubsidized Stafford Loans** are awarded to assist with educational expenses, but are not limited to demonstrated financial need. The interest is not paid by the Federal government and is the responsibility of the student. Payment is deferred on both Subsidized and Unsubsidized Stafford Loans while the student is enrolled at least half-time. Other provisions common to both Subsidized and Unsubsidized Stafford Loans include annual loan limit, aggregate loan limit, interest rate and fees, disbursements, and repayment

### **Annual Loan Limits**

Eligibility for combined Subsidized and Unsubsidized Stafford Loans is limited to the lesser of Cost of Attendance or \$20,500 per academic year (any two consecutive semesters). Eligibility for Subsidized Stafford Loans is limited to the lesser of Demonstrated Financial Need or \$8,500 per academic year (any two consecutive semesters).

### **Aggregate Loan Limit**

The maximum (sum total outstanding) loan limit for graduate study is \$138,500 (including loans for undergraduate study).

### **Interest Rate and Fees**

For 08/09, the Interest Rate for Subsidized Stafford Loans is 6.0% during in-school, deferment or grace periods. Interest rate for Unsubsidized Loans is 6.8%. Current federal regulations allow lenders and guarantors to deduct a 1% origination fee and 1% guaranty fee from loan disbursements.

### **Disbursements**

One-half of a two-term loan will be disbursed at the beginning of each semester

### **Repayment**

Repayment for all Stafford loans are deferred until 6 months after the student stops attending school at least half-time. Complete repayment and deferment provisions are provided in entrance and exit counseling.

### **PLUS for Graduate Students**

It allows credit-worthy students to borrow funds to cover the difference between the cost of attendance and other financial assistance. The interest rate for PLUS loans is fixed at 8.5%. The loan allows an in-school deferment for at least half-time enrollment, but like the Unsubsidized Stafford Loan interest will accrue. The PLUS does not allow a six month grace period after program end or enrollment below half-time. However, most lenders will offer a six month forbearance.

If these Federal Loan programs don't provide sufficient funding for you, you may wish to consider a **Private Alternative Loan** that could be available from many of the same lenders. Private Alternative Loans contain similar payment deferment provisions as do the Federal Loans, however the interest rate and origination fees may be different. Private Alternative Loans are credit-qualified loans. Although we don't include Private Alternative Loans in our eligibility letter, we do have information available in the Financial Aid Office.

## ACCEPT AND APPLY FOR STUDENT LOANS @ my.CU

You can use your 'my.CU' student ID# and PIN to accept and apply for student Stafford Loans and Graduate Plus loans. All of this can be completed electronically, eliminating the need for you to go to a bank.

When you have accessed your 'my.CU' account, click the links to **Student & Financial Aid, Financial Aid, Award, Accept Award Offer**. Follow the instructions to accept Student Loans. Additionally, if this is your first Stafford Loan and/or Graduate PLUS Loan (first time or repeat borrowers) at Concordia, you must also apply for the loan by clicking the link to our Graduate Lender Page at [http://cu-portland.edu/financial\\_aid/loans/grad.cfm](http://cu-portland.edu/financial_aid/loans/grad.cfm). Click your chosen lender's link and follow all instructions.

If you are a first-time FFELP borrower, you must complete the Stafford Loan Entrance Counseling prior to release of the first disbursement. In addition, if you are borrowing the Graduate PLUS Loan you need to complete the Graduate PLUS Loan Entrance Counseling. You can complete entrance counseling at <http://mapping-your-future.org>

When we have received the proceeds from your lender, we will credit them to your account. You have the right to cancel any or all of the loan within 14 days of receipt by providing verbal or written instructions to the Financial Aid Office.

## HOW TO CHOOSE A LENDER

Choosing a lender is an important decision that will affect you for the life of your loan, and so we encourage you to select a lender that you feel offers the best terms and conditions for you. Our experience with these following lenders has been positive related to processing efficiencies and problem resolution, but we do not restrict student loan borrowers to select one of these lenders. Each lender that participates in the FFELP (Federal Family Educational Loan Program) can provide more detailed information about the terms and application process for these loans. Most lenders also offer private, alternative student loans that can supplement FFELP eligibility if you choose. CU's lender list includes:

- Bank of America
- Citibank
- US Bank
- Wells Fargo Bank.

## ESTIMATING YOUR MONTHLY STUDENT LOAN PAYMENTS

The following Student Loan Repayment Chart is based on a minimum monthly payment of \$50 and a standard repayment period of 10 years. You can also find a Loan Payment Calculator on each of the bank's websites listed above. Lenders are also required to offer options of standard, graduated, or income-sensitive payments to new borrowers as long as minimum payments and maximum time periods are met. Provisions are made for certain deferment or forbearance options. Contact your lender for specific information.

Principal	# of Pmts	6.8%	8.5%
\$ 1,000	21	\$ 50.64	\$ 52.00
5,000	120	57.54	61.99
10,000	120	115.08	123.99
15,000	120	172.62	185.98
20,000	120	230.16	247.97
30,000	120	345.24	371.96
40,000	120	460.32	495.94

## UNIVERSITY PAYMENT POLICY

1. Students enrolled in a degree or certificate program at Concordia University have the option of paying the balance of tuition and fees by the first day of each term, or entering into a monthly deferred payment agreement so that the entire balance is paid by the end of the term.
2. Certified loan proceeds will be subtracted from your total charges to determine the balance due. This balance must be paid by the first day of the term, or entered into a deferred payment agreement.
3. A deferred payment agreement requires an initial payment to be paid by the first day of the term, with remaining payments due on the first of the remaining months of the term by pre-authorized credit card charge or by pre-authorized ACH debit. A service charge of up to \$95 will be assessed to participate in a deferred payment agreement and must be paid with the initial payment.
4. Payments may be made by cash, check, money order, VISA, or MasterCard, except that payments on a deferred payment agreement must be made by pre-authorized credit card charge or by pre-authorized ACH debit.
5. Students who have not paid their balance or signed a deferred payment agreement are subject to an initial late payment charge with additional late charges added monthly until satisfactory payment arrangements are made.

## CONDITIONS OF FINANCIAL AID

1. Your eligibility is based on assumptions we made or on information provided on your Free Application for Federal Student Aid and on your Concordia University Application. You are required to report any changes in your enrollment, financial, residence or marital status. **If any of this information is inaccurate, or changes, it may be necessary to revise your Financial Aid Award.**
2. You are required to report any additional financial assistance you receive. It may be necessary to reduce your loan eligibility if you receive outside scholarships and grants.
3. All students receiving federal student loans must maintain Satisfactory Academic Progress by meeting Concordia University academic eligibility requirements. In addition, students are eligible for financial assistance only for 1.5 times the total credits required to complete their program at Concordia University.
4. LOAN PROCEEDS will be credited to your account after receipt of EFT or disbursement check from your lender. If total aid credited to your account exceeds charges due to the university, a credit balance is created on your account. You may request a refund of that credit balance after the Tuition Assessment date for the term (normally, the 10<sup>th</sup> day of each term – see Academic Calendar). Any credit balance will remain on your account until you request a refund, or until subsequent charges have reduced the credit balance.
5. If you withdraw from all classes before the 60% completion point of the term, a pro-rata refund of fees charged and financial aid received will be calculated. If you have received a cash disbursement of financial aid funds, you may owe a repayment of these funds. Refer to the University catalog for a full description of the refund policy and consult with the Financial Aid Office to identify any refund due or repayment owed before withdrawing.