

Financial Aid

Loan Programs

Federal Perkins Loan

The Federal Perkins Loan is for students who need a loan to meet part of their educational expenses. A Free Application for Federal Student Aid (FAFSA) is required to establish need. Awards may range up to \$2,000 per year depending on the student's demonstrated financial need. Due to limited availability the Perkins loan funds are typically designated to students in their freshman and sophomore years. An exit interview is required upon graduation or termination of studies. Repayment begins nine months after graduation, and students may be allowed to repay the loan over a ten-year period. During the repayment period interest is charged at the rate of five percent on the unpaid balance of the loan principal. No repayments are required for up to three years if a student serves in the Armed Forces, Peace Corps, or VISTA.

Federal PLUS Loan

The Federal Parent Loan for Undergraduate Students enables parents to borrow funds to help pay for their children's education. The loan may be borrowed from a participating lender through the Office of Financial Aid.

Parents may apply for a Federal PLUS loan if their sons or daughters have been enrolled or have been accepted for enrollment and have been classified as full-time or half-time students. Under this program parents may borrow up to the full cost of education minus other financial aid. The interest rate is variable, based on the 91-day T-bill rate plus 3.1% to a maximum of 9%. The Federal PLUS Loan Request Form is available in the *John Carroll University Financial Aid Award Packet*. Parents also may get a loan pre-approved on-line. When approved, the lender will send the loan proceeds (amount borrowed minus 3% fees) in the form of two disbursements to the student's JCU account electronically or by co-payable paper check. Repayment begins within 60 days of the second loan disbursement unless a forbearance (delayed payment option) is requested.

Federal Stafford Loan (Subsidized and Unsubsidized)

The Federal Stafford Loan Program enables students to borrow directly from a participating lender through the Office of Financial Aid. The loan is guaranteed by a state or private non-profit agency or insured by the federal government. Federal regulations require that all loan recipients attend both entrance and exit interviews, which will be held on campus and sponsored by the Office of Financial Aid.

Students may apply for a loan if they are enrolled or have been accepted for enrollment as at least half-time students. Under these programs dependent students may borrow \$2,625 the first year, \$3,500 the second year, and up to \$5,500 during each of the next 2-3 years. The variable interest rate for both programs is based on the 91-day T-Bill plus 2.3% and is capped at 8.25%. In the Subsidized Federal Stafford Loan

program the government will pay the interest while the student is in school. Repayment begins six months after the borrower graduates or leaves school, and the borrower may be allowed to repay the loan over a ten-year period. In the Unsubsidized Federal Stafford Loan program, interest begins to accrue immediately. The student is responsible for the accrued interest, or interest can be capitalized at the borrower's request. The Subsidized Federal Stafford Loan is a need-based program, and the Unsubsidized Federal Stafford Loan is available to students regardless of need. The Free Application for Federal Student Aid (FAFSA) must be completed for consideration in both programs as well as a Federal Stafford Loan Request Form from the *John Carroll University Financial Aid Award Packet*.