

Federal Family Education Loans Student Federal Financial Aid Process

1. **Complete the FAFSA.** Complete the Free Application for Federal Student Aid (FAFSA) for each academic year in which you would like to receive federal aid. The FAFSA can be obtained from the local library, your high school guidance counselor, a college financial aid office, or by calling 1-800-4FEDAID. The FAFSA is also available from the Department of Education’s Web site at www.fafsa.ed.gov. To make it easier to complete on-line, print out the Web Pre-Application Worksheet. FAFSAs are accepted and processed after January 1 of the year in which you plan to attend school. Be sure to indicate that you want to be considered for a student loan by answering “yes” to that question on the FAFSA.

2. **Receive your SAR.** Once your FAFSA is processed, a Student Aid Report (SAR) is created. One copy is sent to you in the mail and electronic copies are sent to all the schools you listed on the FAFSA. If you filed a paper FAFSA, allow 6-8 weeks to receive your SAR. If you filed an electronic FAFSA over the Internet, allow 1-2 weeks to receive your SAR.

3. **Receive your Award Letter.** The school(s) use data from your SAR to determine your financial aid award for the current academic year and notifies you in an award letter. If you qualify for a Stafford loan, the school either includes a Federal Stafford Loan Master Promissory Note (MPN) with your award letter or instructs you to get an MPN. If you received a MPN from your school - take it to your credit union. Your credit union will help you complete the MPN for processing. When completing a MPN, be sure to write the name of your school, along with the city and state, in the upper right-hand corner of the promissory note. After the MPN is completed entirely, take your copy (Copy C) and the credit union will keep the rest. Your part of the process is complete.

4. **Credit Union sends School Certification Form to your school.** Once you have completed your MPN, your credit union will send the original note to the loan processor - Great Lakes Educational Loan Services, Inc. The credit union will also provide your school with a School Certification Form to complete and send to the loan processor. A list of the processing centers are listed below with toll-free numbers to call and check on the status of your loan disbursements. You may also access the www.mygreatlakes.com for information on your account. Once the loan is guaranteed, you will receive a notice of guaranty and a disclosure outlining the amount of the loan, disbursement dates, and the interest rate.

Credit Union’s State Location:	Send completed MPN’s and School Certifications to:	For questions on applications, approved loan amounts, and loan disbursement dates:	Want to look up loan information yourself?
OH, MI	Great Lakes Educational Loan Services, Inc. PO Box 182174 Columbus, OH 43218-2174	1-800-377-9095	Go to www.mygreatlakes.com To access IBIS (Internet Borrower Inquiry Service) Click on “Borrower” and log in. New Users click on “Register” and follow the instructions.
MN, ND	Great Lakes Educational Loan Services, Inc. PO Box 64080 St. Paul, MN 55164-0080	1-800-366-0032	
AK, AZ, CA, CO, HI, ID, KS, MT, NV, NM, OK, OR, SD, TX, UT, WA, WY	Great Lakes Educational Loan Services, Inc. PO Box 64080 St. Paul, MN 55164-0080	1-800-247-0462	
All other states	Great Lakes Education Loan Services, Inc. PO Box 7987 Madison, WI 53707-7987	1-800-236-6600	

5. If your financial aid award is not sufficient to cover all the costs listed on your award letter, or you do not qualify for either Stafford loan, your parents or stepparents can apply for a PLUS loan (if you are a dependent undergraduate student). See your credit union for more information and a PLUS loan application.

Federal Family Education Loans Quick Reference Guide

Loan Type		Federal Subsidized Stafford	Federal Unsubsidized Stafford Dependent	Federal Unsubsidized Stafford Independent	Federal PLUS
Eligible Borrowers		<ul style="list-style-type: none"> Dependent undergraduate Independent undergraduate Graduate or professional Based on financial need 	<ul style="list-style-type: none"> Dependent undergraduate Not based on financial need 	<ul style="list-style-type: none"> Independent undergraduate Graduate or professional Not based on financial need 	<ul style="list-style-type: none"> Creditworthy parent of dependent undergraduate Not based on financial need
Annual Borrowing Limits	<i>Year 1</i>	\$2,625	\$2,625 minus subsidized Stafford awarded	\$6,625 minus subsidized Stafford awarded	Eligible loan amount – the cost of education less financial aid the student receives
	<i>Year 2</i>	\$3,500	\$3,500 minus subsidized Stafford awarded	\$7,500 minus subsidized Stafford awarded	
	<i>Years 3-5</i>	\$5,500	\$5,500 minus subsidized Stafford awarded	\$10,500 minus subsidized Stafford awarded	
	<i>Grad</i>	\$8,500		\$18,500 minus subsidized Stafford awarded	
Aggregate Limits*	<i>Undergraduate</i>	\$23,000	\$23,000 minus subsidized Stafford total previously borrowed	\$46,000 minus subsidized Stafford total previously borrowed	No cap
	<i>Graduate</i>	\$65,500	N/A	\$138,500 minus subsidized Stafford total previously borrowed	N/A
Interest Rate	<ul style="list-style-type: none"> Loans made on or after July 1, 1998 are variable capped at 8.25%. During in-school, grace and deferment periods the variable interest rate for loans equals the 91 day T-bill plus 1.7%. The current interest rate is 2.82% During repayment periods, the variable interest rate equals the 91-day T-bill plus 2.3%. The current interest rate is 3.42%. Rates are subject to change every July 1 				<ul style="list-style-type: none"> Parent loans made on or after July 1 1998 will be a variable rate with a cap of 9.0%. The variable rate equals the 91 day T-bill plus 3.1%. The current interest rate is 4.22% Rates are subject to change every July 1.
Fees	<ul style="list-style-type: none"> 0% guarantee fee (from loan proceeds, for loans to attend two- and four-year public and private undergraduate institutions and graduate and professional schools) 1% guarantee fee (from loan proceeds, for loans to attend for-profit and technical schools) 3% origination fee (from loan proceeds) 				
Disbursement	Loan proceeds are sent to the school, generally in at least two disbursements.				Loan proceeds are sent to the school, co-payable to the parent and school, generally in at least two disbursements.
Repayment	Repayment begins six months after the student drops below half-time status or graduates. May prepay any part of loan at any time without penalty. The government pays the interest on the loan while the student is in school and for six months after leaving school (including graduation).		Same as subsidized Stafford. However, interest is payable from the date of disbursement and, if deferred, will be capitalized to the loan balance after the in-school, grace, or deferment period ends. Unsubsidized Stafford borrowers can avoid the extra cost of capitalization altogether by paying the accrued interest monthly or any time before it is capitalized.		First payment is due within 60 days after final disbursement. May prepay any part of loan at any time without penalty. Regular principal and interest payments over 10 years with a minimum \$50 monthly payment.
	Repayment Schedules Standard** (regular principal and interest payments over 10 years) Graduated (2-4 years interest only payments followed by standard payments) Income-Sensitive (based on gross income) Extended (regular principal and interest payments over 25 years)				
	Borrower has up to 10 years to repay with a \$50/month minimum payment. Borrower has up to 25 years to repay if their first loan was made on or after 10/7/98 with a balance greater than or equal to \$30,000				

*Certain students in the health professions may be eligible for an increased unsubsidized aggregate amount if determined by their financial aid office.

**Borrower automatically gets this option, unless they specify otherwise.

Federal consolidation loans allow a borrower to consolidate multiple federal education loans into a single new loan. Ask your credit union if they offer this option.