

DIRECT STAFFORD LOAN

ELIGIBILITY

A student's eligibility for a Federal Direct Subsidized and/or a Federal Direct Unsubsidized Stafford Loan is determined by the results of the FAFSA application. Students who are determined to have financial need qualify for a portion of the loan to be a Federal Direct Subsidized Stafford Loan and a minimum of \$2,000 of the loan to be a Federal Direct Unsubsidized Stafford Loan. Students who do not demonstrate need qualify for all of the loan as a Federal Direct Subsidized Stafford Loan.

The student is the borrowed for all Stafford Loan programs, and no credit check is required. The student must be a U.S. citizen or eligible non-citizen, must not be in default on any education loan and must maintain at least half-time enrollment status.

SUBSIDIZED STAFFORD LOAN

The federal government pays the interest on the subsidized loan while the student is enrolled at least half-time in school, during the grace period following enrollment and during any future deferment period following repayment.

UNSUBSIDIZED STAFFORD LOAN

The student borrower is responsible for the interest that accrues on the unsubsidized loan from the date of disbursement. The borrower may make interest payments while in school and during the grace period, or choose to have the interest capitalized.

INTEREST RATES AND FEES

Federal Direct Subsidized Loans carry a current fixed interest rate of 5.4% for the 2010-2011 academic year. Federal Unsubsidized Stafford Loans carry a current fixed interest rate of 6.8% for the 2010-2011 academic year. Federal Direct Stafford Loans carry a 1.5% origination fee (less a 1% up-front interest rebate contingent upon first 12 on-time monthly payments).

APPLICATION AND FINALIZATION PROCESS

The FAFSA form serves as the student's application for federal and state grant assistance as well as the Federal Direct Stafford Loan program. If the student indicates interest in student loans on the FAFSA application, the Federal Direct Stafford Loan will be awarded accordingly. Once the FAFSA is processed, notification of eligibility will be mailed to the student.

Borrowers **MUST** complete two federal requirements before any loan funds may be disbursed to the school; **Master Promissory Note (MPN) and Entrance Counseling**. The entrance interview can be completed online at www.dl.ed.gov and the MPN can be completed at www.dlenote.ed.gov.

Once the Stafford Loan is certified by the University, instructions will be mailed to the student on how to complete these requirements. The loan will be disbursed to the University by electronic funds transfer (EFT) no earlier than 10 days prior to the start of classes for each semester. Upon receipt of disbursement of the Stafford Loan money to the University, the student will receive notification indicating receipt of funds. The student then has 30 days to contact the office of Student Financial Planning with any reduction or cancellation requests.

Student Financial Planning financialaid@alvernia.edu
400 St. Bernardine Street Reading PA 19607
Phone: 610.796.8356 Fax: 610.796.8336

Hours: Monday -Thursday 8 am – 7 pm & Friday 8 am - 4:30 pm

ANNUAL LOAN LIMITS

Class Level	Maximum Available for Fall/Spring Loans	Additional Unsubsidized	Additional Unsubsidized (Independent students and dependents whose parent cannot borrow a PLUS Loan)
Freshman (0-29 credits)	\$3,500 (1,750 per semester)	\$2,000 (1,000 per semester)	\$4,000 (2,000 per semester)
Sophomore (30-59 credits)	\$4,500 (2,250 per semester)	\$2,000 (1,000 per semester)	\$4,000 (2,000 per semester)
Junior (60-89 credits)	\$5,500 (2,750 per semester)	\$2,000 (1,000 per semester)	\$5,000 (2,500 per semester)
Senior (90 or more credits)	\$5,500 (2,750 per semester) ⁴	\$2,000 (1,000 per semester)	\$5,000 (2,500 per semester)
Graduate Certificate	\$5,500 (2,750 per semester)	\$2,000 (1,000 per semester)	\$5,000 (2,500 per semester)
Graduate or PhD	\$20,500 (10,250 per semester or up to maximum cost of attendance)		

FEDERAL STAFFORD LOAN LIFETIME LIMITS

Undergraduate Dependent	\$31,000 (up to \$23,000 may be subsidized)
Undergraduate Independent And Undergraduate Dependent with Parent PLUS Denial	\$57,500 (up to \$23,000 may be subsidized)
Graduate	\$138,500 (up to \$65,000 may be subsidized)