

LOANS

Direct Subsidized Loan

This is a federally funded loan program that is available to any undergraduate student who has completed the FAFSA, demonstrated financial need, is a matriculated student enrolled for at least six credits in the term the loan is being awarded, is a United States citizen or eligible non-citizen, has maintained Satisfactory Academic progress, is not in default on a prior student loan and has demonstrated financial need; creditworthiness is not a requirement for the Direct Subsidized Loan. The amount an undergraduate student may borrow is dependent on class level and need:

- 0 - 29.5 credits completed - up to \$3,500
- 30 - 59.5 credits completed - up to \$4,500
- 60 or more credits completed - up to \$5,500

The interest rate is fixed at 6.53% for loans disbursed on or after July 1, 2024 and on or before June 30, 2025; the interest rate is fixed for the life of the loan. Interest does not accrue while the student is enrolled for at least six credits. Borrowers are charged, by the federal government, an up-front origination fee. For loans disbursed on or after October 1, 2020 and before October 1, 2025 the fee is 1.057%.

Direct Unsubsidized Loan

The Direct Unsubsidized Loan is a federally funded, low-interest-rate loan with eligibility requirements, terms, and conditions similar to those of the Direct Subsidized Loan. The primary difference is that interest accrues on the loan immediately after it is disbursed and while the student is enrolled. Students with no financial need are permitted to borrow through the Direct Unsubsidized loan program and may borrow between \$3,500 and \$5,500, depending upon class level:

- 0 - 29.5 credits completed - up to \$3,500
- 30 - 59.5 credits completed - up to \$4,500
- 60 or more credits completed - up to \$5,500

Additionally, all undergraduate students, regardless of financial need, are eligible for \$2,000 in Direct Unsubsidized Loan funds each academic year, up to a maximum of \$8,000.

Independent students (or dependent students whose parents are unable to borrow a Federal Direct PLUS Loan) may also borrow additional amounts under the Direct Unsubsidized Loan program, as follows:

- \$4,000 per year for undergraduate students who have completed fewer than sixty credits
- \$5,000 per year for undergraduate students who have completed sixty or more credits

Direct Unsubsidized Loans, in combination with other sources of financial aid, cannot exceed the student's budgeted cost of attendance. The interest rate is fixed at 6.53% for loans disbursed on or after July 1, 2024 and on or before July 1, 2025; the interest rate is fixed for the life of the loan. Interest does not accrue while the student is enrolled for at least six credit hours. Borrowers are charged, by the federal government, an up-front origination fee. For loans disbursed on or after October 1, 2020 and before October 1, 2025 the fee is 1.057%.

Students who have not previously borrowed a Direct Loan - either Subsidized or Unsubsidized - must complete a promissory note; one

promissory note will be used for both the Subsidized and Unsubsidized loan programs. The Financial Aid Office will notify new borrowers when a promissory note is available for signature. Borrowers must complete the promissory note and an Entrance Counseling (an online tutorial regarding the student loan borrower's rights and responsibilities) session before the loan funds will be credited to the student's account. The student will begin repayment of all Direct Loans six months after graduation or cessation of at least half-time enrollment. Direct Loans are available during the regular academic year (i.e., fall and spring semesters) and may be available during the summer term, depending upon the student's borrowing during the academic year; to access loan funds during the summer term, students must complete the University's Summer Financial Aid Application and be registered for at least six credits during the course of the summer. In order to receive Direct Loan funding in subsequent academic years, the student must meet the established standards of Satisfactory Academic Progress for federal awards. Direct Loans are applicable to costs associated with study abroad or study at the Washington Center.

Direct Parent Loan for Undergraduate Students (PLUS)

This is a federally funded loan program. Parents (biological or adopted) of eligible dependent undergraduate students (i.e., the student is enrolled as a matriculated student in at least six credits, is U.S. citizen or eligible non-citizen, has maintained Satisfactory Academic Progress, has completed the FAFSA, and is not in default on a prior student loan) may apply for this loan; the parent must also meet general eligibility criteria (i.e., the parent must be a U.S. citizen or eligible non-citizen and must not be in default on a prior student loan). The PLUS loan is not based on financial need, but borrowers must demonstrate creditworthiness. Eligible borrowers may borrow the difference between the cost of attending Monmouth and any other financial aid the student receives.

The interest rate is fixed at 9.08% for loans disbursed on or after July 1, 2024 and before July 1, 2025; the interest rate is fixed for the life of the loan. Interest does not accrue while the student is enrolled for at least six credit hours. Borrowers are charged, by the federal government, an up-front origination fee. For loans disbursed on or after October 1, 2020 and before October 1, 2025 the fee is 4.228%. Interest begins to accrue on the loan once it is disbursed and, unless the parent borrower requests an in-school deferment, the first payment is due sixty days after the loan is fully disbursed. Repayment lasts between ten and twenty-five years based on the total amount borrowed and the repayment option chosen by the borrower.

The parent borrower must complete the application and promissory note online (<https://studentloans.gov/myDirectLoan/index.action/>). Shortly after the beginning of each term, the University's Financial Aid Office will electronically transmit the funds to the student's account.

Direct PLUS Loans are available during the regular academic year (i.e., fall and spring semesters) and the summer term; to access loan funds during the summer term, students must complete the University's Summer Financial Aid Application and must be registered for at least six credits during the summer. In order to receive Direct Loan funding in subsequent academic years, the student must meet the established standards of Satisfactory Academic Progress for federal awards. PLUS loans are applicable to costs associated with study abroad or study at the Washington Center.

Monmouth University Loan Fund

This loan program is funded by Monmouth University. Awards are made at the discretion of the Director of Financial Aid and are not renewable; the amount of the award is also at the discretion of the Director. Monmouth University Loan Funds may not be applied to costs associated with off-campus study (e.g., study abroad or study at the Washington Center). The terms and conditions of the loan are as follows:

- Interest on the loan is fixed at 7 percent for the life of the loan and begins to accrue nine (9) months after the student ceases at least half-time (i.e., six credits) enrollment. When the student ceases half-time enrollment, he or she enters repayment.
- While in repayment, the student is expected to make quarterly payments of principle and interest of at least \$120, although a minimum annual payment of 10% of the principle is required.
- The maximum repayment term is ten (10) years and there is no penalty for prepayment.
- In order to accept the offer of a Monmouth University Loan, students must complete a promissory note and disclosure documents as prepared by the Financial Aid Office.

Alternative Loans

Alternative financing sources are available from private lenders and are a financing option for students who either do not meet the eligibility criteria for the Direct Loan programs, or who have exceeded the borrowing limits for those programs. Generally, students may apply for a loan of up to the cost of education, as determined by the Financial Aid Office, less any other aid. Alternative loans are not regulated by the federal government, and the terms and conditions of the loans may vary widely among lenders and, as such, students are encouraged to carefully evaluate alternative loan options. Once you have chosen a lender, complete their recommended application process. The Financial Aid Office will then certify the loan, and once the semester begins, funds will be forwarded to the University and credited to the student's account.

Although alternative loans are generally not regulated by the U.S. Department of Education, the University is required to publish a Code of Conduct (https://catalog.monmouth.edu/graduate-catalog/financial-aid/loans/Code_of_Conduct.pdf) regarding loans.