



Boston University Financial Assistance

SUMMER 2012 DIRECT STAFFORD LOAN FACT SHEET FOR GRADUATE STUDENTS

The Federal Direct Stafford Loan is a low-interest loan available to students for post-secondary educational expenses. The interest rate is fixed at 6.8%.

Students must meet federal eligibility criteria to qualify for the Federal Direct Stafford loan. Eligibility is determined by a federally legislated analysis of family financial information provided on a 2011/2012 or 2012/2013 Free Application for Federal Student Aid (FAFSA). Refer to #1 on the back of this form to determine which federal form applies to you.

As a result of the Federal Budget Control Act of 2011, most students will no longer qualify for the Subsidized Federal Direct Loan. The Unsubsidized Federal Direct Loan remains available to students. You will automatically be reviewed to determine if you qualify for the Subsidized Loan before your Unsubsidized Loan eligibility is calculated. The combination of Subsidized and Unsubsidized Direct Loans may not exceed the annual and aggregate limits for the loans under the Direct Loan Program.

Subsidized Federal Direct Loan

You will not be charged interest while you are enrolled at least half-time (6 credit hours). Repayment begins six months after you cease to be enrolled at least half-time.

Unsubsidized Federal Direct Loan

The government will not pay interest while you are in school as it does for the Subsidized Direct Loan. Interest accrues and must be paid by the borrower or is capitalized during periods of in-school enrollment, grace and/or deferment.

WHO IS ELIGIBLE TO APPLY?

Students are eligible to participate in the Direct Loan Program if they: (1) are U.S. citizens or permanent residents, (2) are enrolled in a degree program, (3) are registered for at least 6 credit hours which are accepted towards the degree program and are not repeat classes, (4) demonstrate financial eligibility as determined by federal regulations, (5) do not have an outstanding balance from a prior period of enrollment at Boston University, and (6) are making satisfactory academic progress.

HOW MUCH MAY I BORROW?

The maximum annual loan amount for graduate and professional students is \$20,500. The maximum cumulative Federal Direct Stafford Loan amount is \$138,500, including any amount borrowed for undergraduate study.

However, the amount you borrow for Summer Session(s) 2012 will affect the amount you are able to borrow for the 2012/2013 academic year. Please refer to attached Summer Loan Request Form for suggested restrictions on Direct Loan borrowing.

SUBMIT YOUR APPLICATION EARLY

Loan eligibility cannot be determined until you are registered for the Summer Session. It is important that your request be submitted as soon as possible **after registering** for your summer classes. Your application will take approximately seven to ten business days to review.

HOW DO I APPLY?

1. Complete the Free Application for Federal Student Aid (FAFSA) online at www.fafsa.gov, if you have not already done so.
 - Submit the 2012/2013 FAFSA if you are a NEW student, a student who received federal student aid during Summer Term 2011, a student who is enrolling in classes that begin on or after 7/1/12 or if you are applying solely for federal loan(s).
 - Your 2011/2012 FAFSA information may be utilized if you are a current student, received a Stafford Loan for the 2011/2012 academic year and wish to apply for summer loan(s).

If you wish to be considered for non-federal summer financial aid, additional forms may be required. For information on requirements, graduate students should contact their individual school aid office regarding specific school funds and application processes.

2. **You will be notified by mail if you need to sign a promissory note.** If you have already signed a Master Promissory Note during the 2011/2012 academic year, you will not need to sign another promissory note for the summer term. First time borrowers will need to complete a **DIRECT LOAN MASTER PROMISSORY NOTE**. You can complete the promissory note online at www.bu.edu/finaid. Click on "Promissory Note". You will need your federal personal identification number (PIN). If you do not have a PIN or cannot recall it, you can request a duplicate PIN at www.pin.ed.gov. Boston University will be notified within 3-5 business days that you have completed your promissory note online.

If you fail to complete your promissory note online, a paper promissory note will be mailed to your home address. **Complete** all required items, **sign** and **return** the promissory note according to the instructions.

Failure to complete the promissory note requirement before the end of the loan period will result in cancellation of the loan. Please make sure that you have provided the Registrar's Office with your home address so that you will get your promissory note.

3. **First time borrower must complete an entrance counseling session**, which is required by the federal government prior to the crediting of your loan funds. You may complete this requirement online at www.bu.edu/finaid. Click on "Entrance Counseling". Entrance Counseling must be completed before your loan eligibility can be finalized and before your loan can be used to settle the balance on your student account.

WHEN WILL THE LOAN FUNDS BE AVAILABLE?

Once your loan has been approved by the Direct Loan Center, funds will be credited to your account electronically within three to five business days. A loan fee of 1.0% will be deducted from the Direct Loan prior to disbursement. In addition, some borrowers may qualify for an up-front rebate of 0.5% of the loan amount approved. The borrower would retain the rebate by making the first 12 monthly payments on time. Overall, the maximum that could be deducted from the loan amount approved is 1.0%. Your loan can be disbursed in up to 2 installments. The first installment will occur no earlier than 10 days before the start of your loan period. The second installment will occur midway through the loan period. *For first time borrowers, funds cannot be disbursed until the Entrance Counseling and Promissory Note requirements have been fulfilled. You must also be registered for the appropriate number of credits for disbursement to take place.*

CONSORTIUM AGREEMENTS:

*If you are enrolled in a degree program at Boston University and take classes at a different institution, you must have a **Consortium Agreement** completed by two parties: (1) Financial Aid Office at the institution you are attending during the summer and (2) your school's academic office at Boston University. The completed Consortium Agreement should be forwarded to Boston University Financial Assistance with your Direct Loan Request Form. The consortium agreement must be submitted **at least 3 weeks** before the end of your summer classes in order for Boston University to review your summer loan request.*

If you are enrolled in a degree program at another institution and take classes at Boston University, you may be eligible for a summer Direct Loan. You should first check with your home institution (where you are matriculated as a degree candidate) to see if your home institution will process the summer loan. If they are unwilling, you may submit your request for a summer loan to Boston University along with a Consortium Agreement completed by your home institution.

SUMMER 2012 DIRECT LOAN REQUEST FOR GRADUATE STUDENTS

Restrictions on Summer & Academic Year Direct Stafford Loan Borrowing:

Federal legislation limits the amount of loans that a student may borrow in the Federal Direct Stafford Program if the student has borrowed the maximum annual loan limit for an academic period. Therefore, students who borrow their maximum loan limit for Summer Term 2012 would not be able to borrow another Direct Loan for the Fall 2012 semester. In order to enable students to borrow a Direct Loan to cover charges incurred for both periods of enrollment and to avoid potential problems in obtaining sufficient funds for the Fall semester, Boston University strongly recommends that students borrow no more than half of their annual loan limit for Summer Term 2012. They will then be eligible for the remainder of their annual maximum loan for the Fall 2012 semester. Limiting the amount borrowed will allow students to borrow half of their annual loan limit for each of the three periods of enrollment over the next twelve months (Summer 2012, Fall 2012 and Spring 2013).

The suggested maximum amount to borrow for Summer Term 2012 is \$10,250. A student may be eligible for a portion of the loan to be subsidized. You will be notified of your eligibility under separate cover. A disclosure statement listing your approved loan amounts will be sent to you once Boston University has successfully processed your summer loan request with the Federal Processor.

Students who provide written documentation that they will complete their degree at the end of the Summer Term will be permitted to borrow up to the full annual amount if they meet other eligibility requirements (e.g. calculated financial eligibility). Exceptions may also be made to the policy outlined above if a student submits a written request and adequately documents that alternative sources of funding are available for the Fall 2012 semester and their Direct Loan will not be required to pay for educational expenses.

SUMMER 2012 DIRECT LOAN REQUEST (PLEASE PRINT)

Please PRINT and COMPLETE the Loan Request form below and submit it to your Graduate Financial Aid Office.

Student Name: Last First

Summer Phone Number

BU Identification Number Expected Graduation Date

E-mail Address

I wish to apply for a TOTAL Direct Loan in the amount of \$_____.

I understand my responsibility to provide BU Financial Assistance with the following:

- Number of credits: Summer Session 1 _____ Summer Session 2 _____
- Any funds anticipated for Summer 2012 from a source other than this loan:
Source _____ Amount \$ _____
Source _____ Amount \$ _____
Source _____ Amount \$ _____

By my signature below I acknowledge that the above information is true and correct. I understand that I must notify Boston University Financial Assistance regarding any and all changes to the above information. I understand that changing my enrollment may reduce or eliminate my eligibility for a Direct Loan.

Signature Date