Loan Programs

Federal Direct Lending Program

Georgia Southern University participates in the Federal Direct Lending Program. Loan funding comes directly from the U.S. Department of Education to students through the Federal Direct Stafford Loan Program and to the parents through the Federal Direct PLUS (Parent Loan for Undergraduate Students) Program. When loans are due, borrowers will repay them directly to the federal government through the loan servicer. Additional information is available at https://studentaid.ed.gov/sa/.

The Federal Direct Stafford Loan Program provides low-interest, long-term loans through the University. Funding for these loans comes from the U.S. Department of Education. These loans may be subsidized or unsubsidized. Eligible students must be admitted and enrolled in good standing at least half-time in a program leading to a degree. Half-time is defined as 6 credit hours for undergraduates.

The amount students may borrow is determined by federal guidelines. The following are federal maximum amounts that students are allowed to borrow:

- Freshmen (those who have not completed 30 earned credit hours) - $5,500 yearly; maximum subsidized amount = $3,500 yearly
- Sophomores (30-59 earned credit hours) - $6,500 yearly; maximum subsidized amount = $4,500 yearly
- Juniors or Seniors (60 + earned credit hours) - $7,500 yearly; maximum subsidized amount = $5,500 yearly

Repayment normally begins six months following graduation or when dropping below half-time enrollment. Payments and the length of the repayment period depend upon the amount of the student's indebtedness. Under special circumstances, repayment of a Federal Direct Stafford Loan that is not in default may be deferred or canceled. Repayment, deferment, and cancellations are handled by a federal loan servicer.

If the student is eligible for a Federal Direct Stafford Loan, one will be awarded (either subsidized or unsubsidized, or a combination of both) as part of the financial aid package. The student must then access their WINGS account to accept, deny, or reduce the loan(s). Please read the following paragraphs to learn the differences between the subsidized and unsubsidized Federal Direct Stafford Loans. First-time borrowers are required to complete entrance loan counseling and electronically sign a master promissory note. For additional information visit our website at http://em.georgiasouthern.edu/finaid.

Subsidized Federal Direct Stafford Loan

The amount of subsidized Federal Direct Stafford Loan a student may borrow is the difference between the cost of education (annual budget) and a student's resources (family contribution, financial aid such as Federal College Work-Study, and any other assistance received from the school and outside resources including scholarships). However, a student may not borrow more than the federal maximum for his/her grade level.

If a student is eligible for a subsidized Federal Direct Stafford Loan, the government will pay the interest until graduation or until enrollment drops below half-time. The student will be assessed a loan origination fee, which is deducted from the loan proceeds but will not reduce the principal balance required to repay. For additional information visit our website at http://em.georgiasouthern.edu/finaid.

Unsubsidized Federal Direct Stafford Loan

The unsubsidized Federal Direct Stafford Loan can replace all or part of the family contribution. However, the amount of the loan may not be more than the difference between the cost of education and any financial assistance received from the school and any outside source (including the subsidized Federal Direct Stafford Loan). The interest rate is variable but will not exceed 8.25 percent. Interest accrues on the unsubsidized Federal Direct Stafford Loan while the student is in school and during the six-month grace period before repayment begins. The student has the option of paying the interest monthly, quarterly, or having the interest added to the principal. The student will be assessed a loan origination fee, which is deducted from the loan proceeds but will not reduce the principal balance required to repay. For additional information visit our website at http://em.georgiasouthern.edu/finaid.

Additional Unsubsidized Federal Direct Stafford Loan

If the student is an independent undergraduate or a dependent student whose parents are denied for a PLUS Loan, the student may borrow an additional unsubsidized Stafford loan as follows: freshmen and sophomores may borrow a maximum of $4,000 per academic year; juniors and seniors may borrow a maximum of $5,000 per academic year, not to exceed the cost of education. For additional information visit our website at http://em.georgiasouthern.edu/finaid.

Federal Direct Parent Loan for Undergraduate Students

If a student is considered dependent, he/she may be eligible for a Federal Direct Parent Loan for Undergraduate Students (PLUS) to assist in covering the education expenses. This loan is funded by the U.S. Department of Education. The borrower will be the student's parent (or stepparent), and a credit check will be conducted on the applicant. The maximum PLUS loan amount for an academic year is determined by subtracting all financial aid (including Stafford loans) from the annual cost of attendance.

The interest rate on the Federal Direct PLUS is variable but will not exceed 10.5 percent. The parent borrower has the option to begin repayment on the PLUS loan either 60 days after the loan is fully disbursed or to wait until six months after the dependent student ceases to be enrolled at least half-time. A loan origination fee is deducted from each disbursement of a PLUS loan. These charges do not reduce the amount required to repay. PLUS applications are processed through https://studentloans.gov. For additional information visit our website at http://em.georgiasouthern.edu/finaid.

Georgia Student Access Loan (SAL)

The Georgia Student Access Loan (SAL) is a limited resource loan program that is designed to assist undergraduate students who have a gap in meeting their educational costs. The program is also designed to provide interest rate and repayment incentives to those who complete their program of study within the designed program length, work in select public service sectors or STEM fields. To qualify, students must be Georgia residents and United States citizens or eligible non-citizens. Students must have first applied for and exhausted all other student financial aid programs including federal and state student loans, scholarship and grant programs. Students must complete a SAL application at https://www.gafutures.org/, and are randomly selected to participate in the program.

The amount that students may borrow is determined by state guidelines. The minimum loan amount is $500. The maximum loan limit is $8,000 per year up to a maximum of $36,000 over a college lifetime. A non-refundable $50 origination fee is deducted from the first disbursement of each loan.

The interest rate is one percent (1%) for the life of the loan, and begins accruing at the time of the first disbursement. The borrower must fulfill...
the loan obligation, including repayment requirements, as specified in the Promissory Note to maintain the loan at a one percent (1%) interest rate.

Repayment is a maximum of fifteen (15) years with a minimum payment of $50.00 per month. For additional information and application procedures, refer to https://www.gafutures.org/.

**Georgia National Guard (GNG) Service Cancelable Loan**

The Georgia National Guard (GNG) Service Cancelable Loan provides financial assistance to eligible members of the Georgia National Guard to be used towards the cost of tuition for undergraduate and graduate programs at an eligible postsecondary institution. The student must agree to serve in the Georgia National Guard for a period of two years to complete service repayment. The purpose of the program is to encourage qualified individuals to join the GNG and retain skilled citizens within the state.

**Private/Alternative Loans**

A private/alternative loan is a non-federal education loan through a private lender usually in the student’s name that may require a co-signer. These loans are not subsidized and generally have different eligibility requirements, interest rates, repayment options and conditions. Because private/alternative loans vary, the Georgia Southern Financial Aid Office cannot provide the most accurate and useful information regarding these loans. We strongly suggest comparing interest rates, loan fees, and repayment options before applying.