Loan Programs

Federal Perkins Loan Program
The Federal Perkins Loan Program is a low-interest (5 percent) federal loan for undergraduate students with exceptional financial need. This program is administered by the Office of Financial Aid at Georgia Southern University. Student eligibility is based upon a predetermined awarding formula using limited available funds. The FAFSA must be completed. For additional information visit our website at http://em.georgiasouthern.edu/finaid.

Maximum Loan Amounts for Perkins
A student may be awarded up to $4,000 for each year of undergraduate study. The total amount allowed as an undergraduate is $20,000. However, the standard Perkins Loan awarded at Georgia Southern University is $2,000 per academic year; $1,000 per semester.

Repayment Obligation for Perkins Loan
Repayment begins 9 months after graduation, leaving school, or dropping below half-time enrollment. The student may be allowed up to 10 years to repay the loan. During the repayment period, five percent simple interest will be charged on the unpaid balance of the loan principal.

A Federal Perkins Loan is a serious legal obligation. Therefore, it is extremely important to understand the student borrower's rights and responsibilities.

• Without exception, report any of the following changes to the Federal Perkins Loan Collections Office
  Georgia Southern University
  P.O. Box 8119
  Statesboro, GA 30460
  (912) 478-1264 or (912) 478-5411:
  a. If withdrawing from school;
  b. If transferring to another school;
  c. If dropping below half-time enrollment status;
  d. If name should change (because of marriage, for example);
  e. If student's address or parents' address changes;
  f. If joining military service, Peace Corps, or VISTA.

• When graduating or withdrawing from Georgia Southern University, an exit interview MUST be arranged by calling (912) 478-1264 or (912) 478-5411.
  a. If withdrawing from school;
  b. If transferring to another school;
  c. If dropping below half-time enrollment status;
  d. If name should change (because of marriage, for example);
  e. If student's address or parents' address changes;
  f. If joining military service, Peace Corps, or VISTA.

• The first monthly payment will be due nine months from ceasing to be at least a half-time student.
• The minimum monthly payment will be at least $40.
• The annual percentage rate of five percent will be the FINANCE CHARGE based on the unpaid balance and will begin to accrue nine months after ceasing to be enrolled as at least a half-time student.
• Cancellation will be granted for certain types of elementary or secondary school teaching; for military service in areas of hostilities; for full-time staff members in Head Start; and for permanent disability. The student also accepts the responsibility to inform the school of such status. In the event of death, family members should contact the school.
• If entering military service, Peace Corps, VISTA or comparable tax-exempt organization, becoming full-time active duty in the Commissioned Corps of the U.S. Public Health Service, while temporarily totally disabled, or returning to at least half-time study at an institution of higher education, the student may request that the payments on the Federal Perkins Loan be deferred.

• If the student fails to repay any loan as agreed, the total loan may become due and payable immediately, and legal action could be taken.
• The student must promptly answer any communication from Georgia Southern University regarding the loan.
• The student may repay at any time. Future interest payments will be reduced by making such payments. If a payment cannot be made on time, contact the Georgia Southern University Federal Perkins Loan Office at (912) 478-1264 or (912) 478-5411.
• The student’s loan history will be reported to a credit bureau at the time of disbursement.
• When the student signs the loan agreement, Georgia Southern University is authorized to contact any school the student may attend to obtain information concerning student status, year of study, dates of attendance, graduation, withdrawal, transfer to another school or current address.

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 http://www.ed.gov/DirectLoan.

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 = $4,500 yearly
• Sophomores (30-59 earned credit hours) - $6,500 yearly; maximum subsidized amount = $5,500 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. 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 Perkins Loan, Federal College Work-Study, and any other assistance received from the school and outside resources including

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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. A loan origination fee is deducted from each disbursement of an unsubsidized loan. These charges do not reduce the amount 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 available through the University and is funded by the U.S. Department of Education. 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 available in the Office of Financial Aid. 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 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 $10,000 per year up to a maximum of $40,000 over a college lifetime. A non-refundable $50 origination fee is deducted from the first disbursement of each loan.

Interest rate structure for loans received on or after July 1, 2012:

- Fixed rate of 1% if the student graduates within the designed length of the program of study.
- Fixed rate of 6% if the student graduates within one year beyond the designed length of the program of study.
- Fixed rate of 8% if the student graduates beyond one year after the designed length of the program of study.
- Annual interest payments are required while in school; minimum interest payment is $15.00 for loans received on or after July 1, 2012.

Repayment is a maximum of ten (10) years with a minimum payment of $15.00 for loans received on or after July 1, 2012. For additional information and application procedures, refer to www.GACollege411.org (http://www.GACollege411.org).

**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 charges, and repayment options before applying.