



**St. John's University**  
**Office of Student Financial Services**  
Undergraduate Federal Direct Loans 2020-2021

*The Office of Student Financial Services encourages students to explore various grants and scholarship opportunities and to evaluate loan options carefully.*

### **What is a Federal Direct Student loan?**

Federal Direct Student loans are one form of student "self help" financial aid. Through the Federal Direct Student loan program students borrow money for college from the federal government.

### **How much can I borrow?**

- **\$5,500** is the maximum annual amount a first year student is eligible for, no more than \$3,500 of which can be subsidized.
- **\$6,500** is the maximum annual amount a second year student is eligible for, no more than \$4,500 of which can be subsidized.
- **\$7,500** is the maximum annual amount a third or fourth year student is eligible for, no more than \$5,500 of which can be subsidized.
- Independent students and students whose parent(s) are denied a Federal PLUS Loan qualify for additional unsubsidized loans.

### **How Do I Apply for a Federal Direct Student Loan?**

#### **THREE SIMPLE STEPS:**

1. **ACCEPT** – Go to your St. John's University UIS account at [apollo.stjohns.edu](http://apollo.stjohns.edu) and enter your User ID and PIN, click on "Login"
  - a. Select the **financial aid tab**
    - i. Click on My Award
    - ii. Select Award by Aid Year
    - iii. Select the current aid year
    - iv. Accept Award Offer
2. **COMPLETE** – go to <https://studentaid.gov> and sign in with your FSA ID
  - a. Select **Entrance Counseling** and complete
3. **SIGN** – on the same website, <https://studentaid.gov> website
  - a. Select **Sign Master Promissory Note** and complete

#### **Important Note for Both Step 2 and Step 3:**

- Select "**New York**" as the School State and "**Saint John's University**" as the school name.

**\*Your loans will be credited to your account only after the completion of all three steps.**

**Important Reminder: Borrow only what is needed. Remember, loans must be repaid.**

### **What is the difference between a subsidized and unsubsidized loan?**

- **Subsidized Loan** – the federal government pays the interest on the loan until the student enters their **grace period**; the time they are no longer enrolled on at least a half-time basis. Repayment begins six months after you cease to be enrolled at least half-time (including leaves of absence).
- **Unsubsidized Loan** – the government does not pay the interest on the loan while a student is in school as it does for the subsidized loan. Interest accrues and must be paid or capitalized during periods of enrollment in school and/or deferment.

## What is the 150% Rule?

For all new borrowers who receive a loan on or after July 1, 2013 a 150% limitation is in effect. This means a student who is eligible for a subsidized loan will reach their subsidized limit at 150% of a program's length of study. If a student reaches the 150% limitation, the interest subsidy will end on all outstanding loans disbursed after July 1, 2013 and interest will begin to accrue. Students are therefore encouraged to complete undergraduate study on a timely basis.

## Are there any federal loans available to parents?

The Federal Direct PLUS Loan (parent loan for undergraduate, dependent students) is a loan from the U.S. Department of Education for parents of undergraduate students who meet general eligibility requirements. Your FAFSA must be on file at St. John's. The maximum amount your parent may borrow for the 2020-2021 school year will be indicated on your award letter. For information on how to apply for a Federal Direct PLUS Loan, refer to the Federal Direct PLUS Loan Process at [stjohns.edu/financialaid](http://stjohns.edu/financialaid).

## What is the interest rate on federal loans?

The interest rate for all federal student and federal PLUS loans disbursed on or after July 1, 2020 will be calculated annually by the federal government based on the 10-year Treasury note index.

## Are there any fees associated with these loans?

An origination fee of the total loan is assessed and deducted prior to loan disbursement. For PLUS loans, an origination fee is assessed and deducted prior to loan disbursement. Origination fees are determined by the U.S. Department of Education and are subject to change on an annual basis. Loans credited to the student's account will be less than the loan amount borrowed due to these U.S. Department of Education mandatory fees.

## Is there a federal loan processing deadline?

In accordance with federal guidelines St. John's University may not originate a loan for a period in the academic year in which a student is no longer enrolled. Therefore, students enrolled for the academic year who are interested in borrowing a loan must complete the loan process within the academic year. Students who enroll for one semester in an academic year must complete the process within the period of enrollment for the semester.

### Important Notice:

- You should monitor the status of your loan by checking your personal UIS account and your St. John's email account
- St. John's will begin processing 2020-2021 loans beginning May 1<sup>st</sup>.
- **It is the policy of St. John's University to process loans only after an admission deposit has been paid and the loans have been accepted by the student on their UIS account.**
- If you wish to reinstate a loan you have already declined or modify a loan you have already accepted, please print, complete and return a Student Loan Change Form available online at [stjohns.edu/services/financial](http://stjohns.edu/services/financial).

To learn more about various federal loan programs, debt management and to view sample repayment plans please visit:

- [stjohns.edu/financialaid](http://stjohns.edu/financialaid)
- <https://studentaid.ed.gov>
- <https://nslds.ed.gov>
- Watch Financial Aid TV (FATV) at [stjohns.edu/financialaid](http://stjohns.edu/financialaid)