

FEDERAL FINANCIAL AID

Guilford College students must have their eligibility determined for federal aid by completing a Free Application for Federal Student Aid (FAFSA) online at www.fafsa.gov. (<http://www.fafsa.ed.gov/>) Students pursuing a loan for the next academic year (beginning with the summer semester) should submit the FAFSA as close as possible to, but not before, October 1. Submission of the FAFSA by February 1st is recommended for students who will be attending the following fall semester.

Any United States citizen or eligible non-citizen enrolled at least half-time as a regular degree-seeking student may apply for any of the loan programs in which Guilford College participates. Applications for loans should be submitted a minimum of two (2) months prior to your final registration payment deadline to assist in expediting the arrival of funds.

Federal Supplemental Educational Opportunity Grant: The FSEOG is a limited grant program with funds potentially available for students from low-income families with exceptional financial need who require these grants to attend college. Availability of the FSEOG is dependent on federal funding and varies annually.

Pell Grant: Regularly enrolled degree-seeking students in an undergraduate program may be eligible for the Federal Pell Grant Program. The amount of the Pell grant is dependent upon need as determined by the results of the FAFSA application, costs, and enrollment status as determined by federal guidelines. The amount varies from year to year.

Federal Direct Loan Program

Eligibility for the Federal Direct Student Loan is not based on credit history, unless the student has defaulted on a previous federal student loan or owes a repayment for an over-award of an undergraduate federal grant. The student must be making satisfactory academic progress (SAP) in order to qualify for this program (see explanation below).

First-time Loan borrowers at Guilford must complete online entrance counseling, sign a Master Promissory Note (MPN), and complete the Annual Student Loan Acknowledgment online at www.studentaid.gov prior to disbursement of loan funds. If a student is selected for Federal Verification, additional documents will need to be completed prior to disbursement of funds. In addition, all federal loan recipients must complete an exit counseling session upon graduation, withdrawal, or otherwise cease to be enrolled on at least a half-time basis.

Disbursement of federal loans take place after the add/drop period (if timely application was made and all requirements are met). If a student withdraws from classes, a refund may be due the student, and/or a "return of federal funds" calculation completed that may require some of the loan proceeds to be returned to the lender or paid back by the student. See the Return of Title IV Funds policy for more information. Any student who receives financial aid funds, but does not attend any of the classes for which the disbursement was made is required to have the entire amount returned to the funding entity immediately. Guilford will send the aid payments to the funding entity on the student's behalf. This may result in a balance due the university.

There are two types of Federal Direct loans: subsidized and unsubsidized.

1. Federal Direct Subsidized Loans

The subsidized federal direct loan is a low-cost loan to help pay education costs. Undergraduate juniors or seniors may be eligible for up to \$5,500 per academic year. Students classified as sophomores

may receive up to \$4,500 and those classified as freshmen up to \$3,500. The amount is based on need. The federal government pays the interest on the loan while the student is enrolled at least half-time and during authorized deferment periods. Each year, the interest will vary depending on financial markets, but individual loan rates will stay fixed at that annual rate for the life of that loan. New rates are released every July 1. Students have a six (6) month grace period after graduation or dropping below half-time status before entering the ten (10) year repayment period.

2. Federal Direct Unsubsidized Loans

Dependent students may receive an additional \$2,000 in unsubsidized loans in addition to their subsidized eligibility. An independent undergraduate junior or senior may be eligible for up to \$12,500 per academic year with the Unsubsidized Direct Federal Loan. Independent students classified as freshmen may receive a combined \$9,500 while sophomores may receive up to \$10,500. If the student is eligible for the maximum subsidized loan (example: \$5,500), the maximum unsubsidized loan is \$7,000 for a junior or senior, depending on the cost of attendance less other aid and resources. Unsubsidized loans are not based on need and interest begins to accrue at disbursement. Borrowers may exercise the option of making monthly or quarterly interest payments before the principal repayment period begins, or deferring interest repayment and having the interest capitalized and added on to the principal of the loan. Otherwise, the same rates and terms apply to the unsubsidized federal direct loan as to the subsidized loan. This rate is subject to change and new rates are published every July 1. Students have a six (6) month grace period after graduation, withdrawal, or dropping below half-time enrollment before entering the ten (10) year repayment period.

Note: Subsidized and unsubsidized federal direct loans may be consolidated once the student enters the repayment period. Consolidation may extend the length of the repayment period and therefore, lower the monthly payments. However, the amount of interest paid over the life of the loan will increase substantially, thus consolidation may or may not be the best option for any one student. Students are invited to contact their lenders for more information.

Federal Plus Loans

Parent PLUS loans are available to parents of dependent undergraduate students who are attending at least half time. PLUS Loans are used to help meet the cost of attendance at Guilford. Parents should apply at least four (4) weeks before the start of the semester. Dependent students whose parents are unable to qualify for PLUS become eligible for independent student federal loan limits. The interest rate varies each year and is published July 1. Parents can apply for a PLUS loan at studentaid.gov.

The federal government also offers Grad PLUS Loans to students enrolled in at least 6 credit hours of graduate coursework. Students can apply at studentaid.gov (<http://studentaid.gov/>). The interest rate and origination fees vary each year and are published by July 1.