

What I need to know before I apply

Federal Stafford Subsidized and Unsubsidized loans are low interest loans where repayment is deferred until after you graduate, withdraw, or enroll less than half-time.

Subsidized - Subsidized loans are need based, low interest, federally subsidized loans. ****Not all students will qualify for Subsidized loans.**

Unsubsidized - Unsubsidized loans are not based on need and the interest is not subsidized by the government; therefore students are responsible for all interest accrued.

General Loan Facts -

- A 2.5% origination/default fee may be charged to students at time of disbursement.
- All students are given a one-time six month grace period to begin their repayment, once they are no longer enrolled in the minimum credit hours.
- New borrowers may be required to wait 30 days from the first day of class for disbursement.
- Subsidized loans are **NOT** available to all students.

General Eligibility Requirements -

- Students are required to complete the Free Application for Federal Student Aid (FAFSA).
- All students applying for the Stafford loan must be citizens or eligible non-citizens.
- You must be enrolled in **6 credit hours** which count toward your degree at FKCC. (half-time).
- Students must have and maintain a cumulative 2.0 GPA for all credits attempted (including transfer credits).
- Students cannot exceed more than 90 hours of attempted credits in their major.
- All students must complete Exit Counseling when they graduate, withdraw, or drop below half-time. Students who withdraw are encouraged to come to the Financial Aid Office for personal exit counseling. [Graduating students can click here to access exit counseling.](#)
- For summer funding, students are required to maintain the half-time status by enrolling in both summer sessions for a minimum of three hours per summer session.
- Students **must** reapply every year (applications are available after February 1st for following fall term).
- Students **must** maintain satisfactory academic progress to continue eligibility for funding as stated in the general eligibility requirements.
- Students **must** not exceed the aggregate loan limits established by Federal Government, including loans received prior to attending FKCC.
- **Students who expect to use the Stafford Loan to pay fees must complete the entire process at least two weeks before fees are due for the upcoming semester!**

Direct Loan Interest Rate Information

Beginning July 1, 2010, Federal Direct **Subsidized** loans for undergraduate students only will have a fixed interest rate of 4.5%. The federal government pays interest on the loan until you begin repayment.

The interest rate for Federal Direct **Unsubsidized** loans disbursed on or after July 1, 2006 is fixed at 6.8%. You are charged interest on this loan from the time the loan is disbursed until it is paid in full. If the interest is allowed to accumulate, the interest will be added to the principal amount of the loan and increase the amount to be repaid.

0.5% fees will be deducted from the gross amount of loan borrowed, so students need to take that into consideration when determining the amount to borrow. By law, the total origination fee for loans made on or after July 1, 2010 is 1.0%; however, Direct Loans currently offer a 0.5% rebate on this origination fee. If you fail to make 12 on-time monthly payments, a charge for the difference between the 0.5% origination fee and the 1.0% up-front interest rebate will be added to the outstanding balance of the loan.

For more information on interest rates go to the [Direct Loan Servicing Center](#)