

# 2009-2010 UCLA Federal Stafford Loan Guide



This guide will provide you (the borrower) with information for Federal Subsidized and Federal Unsubsidized Stafford Loans. UCLA works with private lender partners to deliver federal loans under the Federal Family Education Loan Program (FFELP). For 2009-2010 UCLA will not participate in the Direct Lending Program (DLP), which offers federal loans through the Department of Education. Your electronic Financial Aid Notification (eFAN) will let you know, for which of these loans you are eligible and how much has been offered to you.

Before you decide to accept a federal Stafford Loan, please read this guide.

## Stafford Fact Sheet

	<b>Subsidized Stafford Loans</b>	<b>Unsubsidized Stafford Loans</b>
<b>Program Description</b>	Eligibility based on financial need. Federal government pays the interest while student is in school.	Eligibility not based on need. Student is responsible for the interest accrued while in school. Can be offered in conjunction with a subsidized Stafford as long as the maximum annual or aggregate limits have not been exceeded.
<b>Eligibility</b>	Undergraduate and Graduate students enrolled at least half-time. Free Application for Federal Student Aid (FAFSA) must be completed annually.	
<b>Interest Rate**</b>	6% fixed for undergraduates decreasing to 5.6% after June 30, 2009; 6.8% fixed for graduates. No interest accrues while in school or during grace period.	6.8% fixed. Interest accrues while in school and during grace period.
<b>Fees*</b>	Origination fee charged by US Dept. of Education: 1% until 6/30/08; 0.5% after 6/30/08. Up to 1.0% loan default fee charged by the guarantor.	
<b>Repayment</b>	No payments due while student is in school. Six-month grace period after student leaves school or drops below half time. Standard repayment period of 10 can be extended.	Principal and interest can be deferred while student is in school and during a six-month grace period after the student leaves school or drops below half-time status. Deferred interest will be capitalized (added to the principal), or students can pay interest while in school. Standard repayment period of 10 can be extended.

**In order for loan funds to be disbursed by the lender, federal loans must be certified before last day of the enrollment period, for which the loan is offered.**

**If you are planning to accept a federal loan, please submit your eFAN to the financial aid office at least 5 business days before the end of the term, in which you are enrolled.**

\*\* Military borrowers who performed military service on/after 08/14/08 may request, under the Servicemembers Civil Relief Act, an interest rate reduction to 6% by contacting their lender.

\* Loan fees are deducted from each disbursement prior to the disbursement of funds by the lender.

## Stafford Annual Loan Limits

Grade Level	Subsidized Stafford Annual Maximum	Unsubsidized Stafford Annual Maximum	TOTAL Stafford Annual Maximum
Freshmen	\$3,500	Dependent = \$2,000 Independent = \$6,000	Dependent = \$5,500 Independent = \$9,500
Sophomores	\$4,500	Dependent = \$2,000 Independent = \$6,000	Dependent = \$6,500 Independent = \$10,500
Juniors and Seniors	\$5,500	Dependent = \$2,000 Independent = \$7,000	Dependent = \$7,500 Independent = \$12,500
<b>Undergrad Aggregate Loan Limits</b>	<b>\$23,000</b>		<b>Dependent = \$31,000 Independent = \$57,500</b>
Graduate Students	\$8,500	\$12,000	\$20,500
<b>Grad Aggregate Loan Limits</b>	<b>\$65,500</b>		<b>\$138,500</b>

**NOTE:** Loan limits for graduating Seniors who are not enrolled for full academic year will be prorated, resulting in less than the annual maximum eligibility.

## Applying for a Stafford Loan

**Accept the Loan** – Accept the loan offered to you on your electronic Financial Aid Notification (eFAN). If you would like to borrow less than the amount offered, indicate the amount you want to borrow in the space provided on the eFAN. If you do not need to borrow all of the loans offered to you, borrow maximum Stafford for which you are eligible before accepting an Unsubsidized Stafford Loan.

**Select a Lender** – Review the [Stafford Lender List](#) (a link is included on your eFAN) and indicate your lender choice on the eFAN drop-down menu. The lenders on the eFAN drop-down menu are set up for electronic certification and disbursement process at UCLA. **You do not have to borrow from one of the electronic lenders on UCLA's lender list.** If you prefer to borrow from a non-electronic lender, select 'Other Non-Electronic Lenders' on the lender menu and type in the name of your lender when instructed. Refer to "Selecting a Lender" section on page 3 of this guide for additional information about selecting your lender.

**Complete a Master Promissory Note (MPN)** – If you are a new borrower or if you decide to borrow through a different lender than in the past, you must complete a Master Promissory Note with your lender. Please refer to UCLA's [Stafford Lender List](#) for links to our lenders (The links are also provided on the eFAN 'Thank You' page. If you select a lender not on UCLA's Lender List, please contact them directly for instructions on how to complete an MPN. Once completed, the MPN is valid for 10 years so continuing lenders do not have to complete one each year.

**Complete a Debt Management Session (DMS)** – *If you are a first time borrower at UCLA;* you must complete a Debt Management Session before your federal loans will be disbursed. To satisfy the DMS requirement go to [www.loans.ucla.edu](http://www.loans.ucla.edu) in order to complete your session on line. If you have any questions about this requirement, please contact Student Loan Office at 310-825-9864.

***You have the right to request a cancellation or a reduction of your loan provided that you submit written notification to the Financial Aid Office.***

## Stafford Disbursements

The total loan amount you accept on your eFAN will be divided equally among terms, for which you have been awarded. If you apply with one of UCLA's electronic lenders, your loan will be disbursed via Electronic Funds Transfer (EFT) and applied to your UCLA BAR account at the beginning of each term. Any funds left after BAR charges are paid, will be refunded to you. If you choose to work with a lender that does not work with UCLA electronically, your loan will be disbursed via a paper check that will need to be picked up from Student Loan Services each term.

You must be enrolled at least half time (6 units undergraduates; 4 units graduates) in order for your Stafford loans to be disbursed. If you drop below half time enrollment or withdraw from school, you will be billed for all or part of the loan(s) disbursed to you for that term.

**PLEASE NOTE:** If your loans are not disbursed because of non-enrollment, insufficient units or holds on your account, Student Loan Office will return all loan funds within 10 business days of receiving them from the lender, in order to stay in compliance with federal regulations. If your loans are returned to the lender, the Financial Aid Office can request reissue of your disbursements *per request from the borrower*. The reissue process will take 2-3 weeks.

## Selecting a Lender

In order to facilitate the application process for our borrowers and to allow for electronic disbursement of funds, UCLA has set up electronic processes with various partners listed on our Lender List.

You can access UCLA's Lender Lists at <http://www.fao.ucla.edu/publications.html>. In addition to viewing the benefits offered by each of the lenders, please refer to the list for the loan fee information, contact information for your lender and information on who will service your loan. It is very important that you know not only which lender will originate and disburse your loan but also who will be your point of contact while your loan is serviced after it is fully disbursed and during repayment.

Listing of the lenders on the lender list is does not constitute the guarantee of benefits offered as the benefits are subject to change without notice, at lender's discretion. To verify benefits being offered, please contact your lender directly.

You do not need to borrow from one of the lenders listed on UCLA's Stafford Lender List. If you prefer to borrow from a lender with which we do not work electronically, please contact them directly to obtain benefits information and application instructions.

***If you want to accept a portion of your loan for a single term of enrollment, please notify the Financial Aid Office. Any loan amount accepted on the eFAN will be split equally among all terms, for which you have been awarded.***

***If you have additional questions about the Stafford Loan, please contact the Financial Aid Office at 310-206-0400 or [finaid@saonet.ucla.edu](mailto:finaid@saonet.ucla.edu)***

***If you have questions about the Debt Management Session, please contact Student Loan Office at 310-825-9864.***

