

Student Loan Fact Sheet

What is a Federal Student Loan?

A federal student loan allows students and their parents to borrow money to help pay for college through loan programs supported by the federal government. They usually have low interest rates and offer attractive repayment terms, benefits, and options. Generally, repayment of a federal loan does not begin until after the student leaves school.

Types of Available Federal Student Loans

Stafford loans are for undergraduate and graduate students. There are two types of Stafford loans: subsidized and unsubsidized.

Subsidized Stafford Loans provide low interest rates and are available to students who demonstrate financial need based on income and other information provided on the FAFSA. A credit check is not required to receive these loans. The federal government pays the interest on these loans until six months after the student is no longer enrolled at least half-time in school.

Unsubsidized Stafford Loans provide low interest rates and are available to all students, regardless of financial need. Students will need to file a FAFSA. A credit check is not required to receive these loans. The student is responsible for the interest, which may be paid while the student is in school or it will be added to the principal balance. Repayment occurs six months after the student is no longer enrolled at least half-time in school.

Stafford Loan Master Promissory Note (MPN): If you are receiving a Stafford Loan, to complete the loan process, you must go to <https://clipslink.guarantorsolutions.com/esign/> and click "Apply Now." A list of lenders who participate in the electronic signature process is available at this website. You may choose from this list. If your lender is not available, contact our office immediately.

Entrance Loan Counseling: To fulfill federal loan requirements, if you are receiving a **Federal Stafford Loan**, you must go to www.mappingyourfuture.org and complete a Stafford Loan Entrance Counseling session.

PLUS Loans are low interest loans that parents can obtain to help pay the cost of education for their children. PLUS loans require a credit check, and in some instances, an eligible co-signer. Repayment of a PLUS loan begins following the final disbursement for the year. Parents may check with their lender for deferment options.

Private Student Loans: A private student loan is a nonfederal loan issued by a lender, such as a bank or credit union. Private student loans often have variable interest rates, require a credit check and do not provide the benefits of federal student loans.

Federal student loans offer borrowers many benefits not typically associated with private loans. These include low fixed interest rates, income-based repayment plans, loan forgiveness and deferment options, including deferment of loan payments when a student returns to school. For these reasons, students and parents should always exhaust federal student loan options before considering a private loan.

Resources for students:

FAFSA—www.fafsa.ed.gov

Student aid info—www.studentaid.ed.gov

National Student Loan Data System—www.nslds.ed.gov

Scholarship search engine—www.fastweb.com

TSAC, TN scholarships & grants info—www.collegepaystn.com

WORK-STUDY JOBS: Work-study awards are funds that **must be earned** through campus employment. If you accept a work-study award, it is assumed that you want to **work**. If you are a new student, or a displaced current student worker, you may apply for a position by using our on line application process. This can be found at www.tusculum.edu/faid/workstudy. Your application will create an email that is sent to the supervisor for the job for which you have applied. Once the supervisor informs the Work-Study Coordinator of their desire to hire you, you will receive an email notification. You will need to complete an I-9 and W-4 and Work-Study Responsibilities Contract Agreement before you can begin work. Work-Study employees are paid monthly for the hours worked during the previous pay period.

Estimated Monthly Payments (10 Year Term)

Loan Amount	5.0%	6.0%	7.0%	8.0%	9.0%
\$ 500	\$5.30	\$5.55	\$5.81	\$6.07	\$6.33
\$ 1,000	\$10.61	\$11.10	\$11.61	\$12.13	\$12.67
\$ 3,000	\$31.82	\$33.31	\$34.83	\$36.40	\$38.00
\$ 5,000	\$53.03	\$55.51	\$58.05	\$60.66	\$63.64
\$ 6,000	\$63.64	\$66.61	\$69.67	\$72.80	\$76.01
\$ 7,000	\$74.25	\$77.71	\$81.28	\$84.93	\$88.67
\$ 9,000	\$95.46	\$99.92	\$104.50	\$109.19	\$114.01
\$ 10,000	\$106.07	\$111.02	\$116.11	\$121.33	\$126.68
\$ 15,000	\$159.10	\$166.53	\$174.16	\$181.99	\$190.01
\$ 20,000	\$212.13	\$222.04	\$232.22	\$242.66	\$253.35
\$ 25,000	\$265.16	\$277.55	\$290.27	\$303.32	\$316.69

SATISFACTORY ACADEMIC PROGRESS: All continuing and transfer students must make satisfactory academic progress to be eligible for continued financial assistance. The Satisfactory Academic Progress Policy is available on our web site at www.tusculum.edu/faid/. Satisfactory Academic Progress will be checked each year when renewal eligibility is evaluated.