

## STUDENT LOAN PROGRAMS

### FEDERAL STUDENT LOANS

All federal student loan programs require annual filing of the Free Application for Federal Student Aid (FAFSA) to determine eligibility. In general, a student must be degree seeking and enrolled at least half-time to be eligible to borrow federal student loans.

### FEDERAL DIRECT LOANS

Students who meet general eligibility requirements may borrow Federal Direct Loans. There are three types of Federal Direct Loans:

- **Subsidized Loans:** Available to undergraduate students who demonstrate financial need. The U.S. Department of Education will pay the interest on the loan while the student is enrolled at least half time.
- **Unsubsidized Loans:** Available to undergraduate and graduate students, and there is no requirement that students demonstrate financial need. Interest will accrue on the loan while the student is in school.
- **PLUS Loans:** Available to graduate or professional students or to parents of dependent undergraduate students enrolled at least half time. To receive this loan, the recipient must not have adverse credit history.

Annual Direct Loan Limits:

Year in School	Dependent Students*	Independent Students**
Undergraduate 0-29 hours completed	\$5,500—No more than \$3,500 of this amount may be subsidized.	\$9,500— No more than \$3,500 of this amount may be subsidized
Undergraduate 30-59 hours completed	\$6,500—No more than \$4,500 of this amount may be subsidized.	\$10,500— No more than \$4,500 of this amount may be subsidized
Undergraduate 60+ hours completed	\$7,500—No more than \$5,500 of this amount may be subsidized.	\$12,500— No more than \$5,500 of this amount may be subsidized
Graduate and Law Students	N/A	\$20,500 (unsubsidized only)
Graduate-Level Pharmacy Students (have completed 132+ hours)	N/A	\$20,500 (unsubsidized only) plus an additional \$12,500 unsubsidized health loan (summer enrollment adds another \$2,777 for a total of \$15,277)

\*Except students whose parents are denied for a PLUS Loan.

\*\*Also includes dependent undergraduate students whose parents are denied a PLUS Loan.

Aggregate Limits Direct Loan Limits:

Student Type	Dependency Status	Limit
Undergraduate	Dependent	\$31,000—No more than \$23,000 of this amount may be subsidized.
Undergraduate	Independent	\$57,500 for undergraduates—No more than \$23,000 of this amount may be subsidized.
Graduate/Law/Pharmacy	Graduate	\$138,500* for graduate/law students. \$224,000 for graduate-level pharmacy students.

\*The graduate aggregate limit includes all federal loans received for undergraduate study.

Interest Rates for Direct Loans disbursed between July 1, 2020 and July 1, 2021:

Loan Type	Borrower Type	Interest Rate
Subsidized Loans*	Undergraduate	2.75%
Unsubsidized Loans	Undergraduate	2.75%
Unsubsidized Loans	Graduate	4.30%
PLUS	Graduate/Parent	5.30%

\*No interest accrues on subsidized loans while in school.

Origination Fees\* for Direct Loans first disbursed on or after October 1, 2019 and before October 1, 2020\*\*:

Loan Type	Borrower Type	Origination Fee
Subsidized/Unsubsidized Loans	Undergraduate/Graduate	1.059%
Direct PLUS	Graduate/Parent	4.236%

\*Fee is deducted from the loan before it is disbursed. Borrower will repay the entire amount, fee included.

\*\*New origination fees will be in effect on October 1, 2019 for loans first disbursed after that time.

#### Grace Period

- Federal Direct student loans have a 6 month grace period after student graduates, leaves school, or drops below half-time. If a grace period is not used in its entirety (student returns to school within 6 months), the entire six month grace period remains intact, as if it were never used.
- There is no grace period for PLUS loans. Repayment begins 60 days after the final disbursement. Graduate students with PLUS loans will be automatically granted an in-school deferment if they are enrolled at least half-time. Parents can contact their loan servicer to request a deferment while their student is in school.

## PRIVATE/ALTERNATIVE STUDENT LOANS

Private loans (sometimes referred to as alternative or supplemental loans) are funds from private lenders to help cover educational costs. A student may want to consider a private loan when federal financial aid is not enough to cover the student's estimated cost of attendance (COA). Before you apply for a private loan, be sure to check with Financial Aid and Scholarships (FAS) to ensure you have maximized your federal loan eligibility first. Federal loans are usually less expensive and have more favorable repayment terms and conditions in comparison to private loans. See the Private/Alternative Loans information sheet for more details.

## KU ENDOWMENT LOANS

The KU Endowment Association (KUEA) is an independent, nonprofit corporation serving as the official fund-raising and fund-management organization for the University of Kansas. Through the years, many KU alumni and friends have made generous contributions to KUEA for providing low-interest loans to KU students. KUEA loans are available to qualified continuing and transfer students. See the KU Endowment Association Loan Program information sheet for more details.