

Federal Loans

Federal loan programs are loans offered at low interest rates that allow students to borrow funds to pay their educational expenses. Repayment of these loans begins six to nine months after the student graduates or drops below half-time enrollment.

Student Loans

Federal Stafford Loans are available to students who filed a FAFSA and are enrolled at least half-time. Effective July 1, 2008, borrowing levels for 2008-2009 are:

	Subsidized	Unsubsidized
Freshman	\$3,500	\$2,000
Sophomore	\$4,500	\$2,000
Juniors and Seniors	\$5,500	\$2,000

Subsidized Federal Stafford Loans are based on financial need. The federal government pays the interest on subsidized loans for you as long as you remain enrolled at least half-time. **Unsubsidized Federal Stafford Loans** are not based on financial need. Therefore, you are responsible for the interest on unsubsidized loans while you are in school and may either pay the interest quarterly or choose to have the interest deferred until repayment, at which time the interest accrued while you were in school is added to the principal balance. Independent students may borrow an additional \$4,000 (freshmen and sophomores) or \$5,000 (juniors and seniors) per year in unsubsidized loans. For loans disbursed on or after July 1, 2006, the interest rate is fixed at 6.8 percent.

Federal Perkins Loans are long-term, low-interest loans made available by the university and the federal government. Simple interest of five percent (5%) begins to accrue 9 months after you are no longer enrolled at least half-time. If you are a first-time student, you must complete a Perkins Master Promissory Note (MPN) and Entrance Counseling before you can receive Federal Perkins loan funds.

Parent Loans

Federal PLUS Loans are available to parents who have a dependent child in college. Individual eligibility is determined by subtracting all financial aid awards for the academic year from the cost of attendance. Financial need is not a requirement and parents do not have to complete the FAFSA to apply for this loan. Parents must apply and be approved for this loan each year. For loans disbursed on or after July 1, 2006, the interest rate is fixed at 8.5 percent. For more information, visit www.salliemae.com.

Alternative Loans

Non-federal loans are available for students. These loans generally require the borrower to be credit worthy or have a credit worthy co-borrower and usually do not have as favorable interest rates as the federal programs. Check with the Office of Financial Aid at the school you decide to attend to learn more about their preferred alternative lenders.

College Access (CAL) Loans are offered by the State of Texas and are available to Texas residents who have credit-worthy co-signers. You may choose a variable or fixed interest rate. The fixed rate is 6 percent and repayment begins six months after graduation. Interested students should visit the [CAL Program Information Page](#) to apply or for more information.