

Stafford Loans



BENEFITS OF STAFFORD LOANS

1. Low, fixed interest rate.
2. Guaranteed loan, no cosigner required.
3. Federal student loans can help establish a good credit history.
4. Flexible repayment plans.

What are Federal Stafford Loans?

Stafford Loans are guaranteed federal student loans with funds provided by the Department of Education. Current rates are 4.53% for undergraduate students and 6.08% for graduate students. 2020-2021 interest rates will be updated on July 1, 2020. An estimated 1.1% origination fee will be deducted from the loan. Principal and interest payments are deferred while the student attends at least 1/2 time.

THERE ARE TWO TYPES OF STAFFORD LOANS:

Subsidized: Based on financial need, no interest is charged while the student is in school at least 1/2 time. Available only to undergraduate students.

Unsubsidized: Not based on financial need; interest is charged even while the student is in school.

What do students have to do to receive the Stafford Loan funds?

1. Return the signed award letter to Edgewood Central.
2. Complete the 2020-21 Master Promissory Note (MPN) online, if listed on the award letter. See steps 1-5 on the back.
3. Complete the 2020-21 Loan Entrance Counseling online, if listed on the award letter. See steps 1-5 on the back.

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Master Promissory Note or Loan Entrance Counseling:

1. Go to <https://studentloans.gov>
 2. The student signs in using their FSA ID and password.
 3. The student selects Complete Entrance Counseling.
 4. The student selects Complete Loan Agreement for a Subsidized/Unsubsidized Loan (MPN).
 5. Electronic confirmation is sent automatically to Edgewood College.
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The Maximum Annual Limits

COMBINED SUBSIDIZED AND UNSUBSIDIZED:

Dependent versus Independent status is determined by the FAFSA.

Freshman (0-27 credits)

Dependent: \$5,500

Independent: \$9,500

Junior/Senior (60+ credits)

Dependent: \$7,500

Independent: \$12,500

Sophomore (28-59 credits)

Dependent: \$6,500

Independent: \$10,500

The Maximum Lifetime Limits

COMBINED SUBSIDIZED AND UNSUBSIDIZED:

Undergraduate/Post Baccalaureate

Dependent: \$31,000


Independent: \$57,500

Graduate (including all undergraduate loans)

Dependent: —

Independent: \$138,500

**It is important for students to be aware of how much they have borrowed in student loans. Loan information can be accessed at: www.nsls.ed.gov.*



For Edgewood College students who borrow, the average federal student loan debt after all four years of school is:



In fact, 24% of Edgewood College students graduate with no debt at all!

96% of Edgewood College graduates are employed within one year of graduation. Edgewood College graduates pay back their loans. Compare the loan default rate among graduates:



2.1% Edgewood College
6.6% Private colleges
9.6% Public universities

