

# LOANS

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Loans are a type of financial aid that must be repaid. EFSC determines the amount of loans a student can borrow based on the cost of attendance and the other financial aid a student receives.

## Federal Direct Loans

- The annual and aggregate limits are set by the U.S. Department of Education.
- Students must accept loans via Titan Web, complete entrance loan counseling, and e-sign a Master Promissory Note before loans can authorize or disburse.
- First-time borrowers of federal student loans are subject to a 30-day disbursement delay.
- Loans awarded for two semesters will be split evenly between the two semesters. Loans awarded for only one semester will be disbursed in two equal installments during the semester.
- Loans require at least half-time enrollment. Loans will not disburse until attendance is confirmed in at least 6 hours included in the student's financial aid enrollment. If a student enrolls in parts of terms with different start dates and will not begin attendance in 6 hours until later in the term, the disbursement will be delayed and plan accordingly. For example, if a student start 4 credits in Minimester A and an additional 2 credits in Minimester B, the loans will not disburse until the initial disbursement date for Minimester B.

## Federal Direct Subsidized Loans

- Direct Subsidized Loans are available to undergraduate students with financial need.
- The interest is subsidized while students are enrolled at least half-time and in grace periods.
- Current interest rates are posted on the [Federal Student Aid](#) website.

## Federal Direct Unsubsidized Loans

- Direct Unsubsidized Loans do **not** require financial need.
- Students are responsible for paying the interest on a Direct Unsubsidized Loan during all periods. If students choose not to pay the interest while they are in school and during grace periods and deferment or forbearance periods, the interest will accrue (accumulate) and be capitalized (that is, the interest will be added to the principal amount of the loan).
- Current interest rates are posted on the [Federal Student Aid](#) website.

## Federal Direct Parent PLUS Loans

- PLUS loans are federal loans that parents of dependent undergraduate students can use to help pay for college.
- The loans do not require financial need, but the borrower cannot have adverse credit.
- The student must complete the Free Application for Federal Student Aid (FAFSA).
- Loan amounts must not exceed the cost of education less other financial aid.
- Current interest rates are posted on the [Federal Student Aid](#) website.

## Private Loans

- Banks and financial institutions also offer students loans.
- Students are encouraged to compare rates and terms to those of Federal Direct Loans.
- EFSC does not maintain a private lender list.