

Federal Direct Student Loans

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Federal Direct PLUS Loan - Parent PLUS

A [Parent PLUS Loan](#) allows a parent to borrow an amount up to the student's cost of attendance **minus** all financial aid the student may receive for the enrollment period. This is a last to pay loan and all other aid must be accepted or denied before the loan will be processed.

How to obtain a Parent PLUS Loan:

1. **The student must complete their FAFSA for the current aid year before beginning any additional aid applications.**
2. The **parent** listed on the student's FAFSA, should login to their **parent Federal Student Aid account** at: <https://studentaid.gov/>. Once the parent is logged into their account, they can navigate to the [PLUS Loan Application page](#) and complete the application. A credit check will be performed during the application process. If the parent is approved for a Federal PLUS Loan, the information will be sent to Arkansas State University for processing.
3. The parent will also need to complete a Parent PLUS Promissory Note at [Federal Student Aid](#). If the loan is denied and the parent wishes to seek an endorser, please fill out the MPN before adding an endorser to the loan.

What if my application is denied?

If a parent receives a denied loan application, the student is eligible to fill out an Additional Unsubsidized Loan Form. An appeal or endorser may also be an option if a loan is denied. If an appeal or endorser is approved for the specific loan application, an [MPN](#) and [PLUS Loan Credit Counseling](#) is required to receive the loan funds.

Note: an MPN and Credit Counseling is required for each loan that is approved by appeal or endorser. If your loan is being endorsed please email our PLUS Loan coordinator. The Federal Student Aid does not notify us that the loan is being endorsed and we must pull it in manually.

For summer session(s), you must complete a separate loan application, since it is a separate loan term.

Credit applications only stay on file for 6 months. This is subject to change according to federal regulations. We recommend applying at least one month prior to the start of class. If the approval date is expired, the loan funds will not be disbursed.

Note: Loan applications take at least 24 hours to get to us and they will be processed in the order they were received.

How Much Can Be Borrowed?

Parents may borrow up to their student's total cost of attendance less other financial aid received such as grants, scholarships and loans. The total cost of attendance is determined by the Office of Financial Aid based on an average cost for tuition, books, room and board, travel, and miscellaneous expenses for the academic year.

What is the Loan Processing Fee?

The [processing fee](#) is a fee the lender charges up-front for providing you the loan. The processing fee for a loan disbursed:

1. Between October 1, 2020 and before October 1, 2025 is **4.228%**
2. Between October 1, 2019 and before October 1, 2020 is **4.236%**

What is the Interest Rate?

The fixed interest rate is

1. **9.08%** for a loan disbursed between July 1, 2024 and before July 1, 2025.
2. **8.05%** for a loan disbursed between July 1, 2023 and before July 1, 2024.

*Interest begins accruing at the time of the first disbursement.

When do I have to Repay?

1. Repayment begins within 60 days after the final disbursement for the loan period.
2. [Deferment](#) may be an option.

For additional information, please visit the Federal Student Aid website at:

<https://studentaid.gov/understand-aid/types/loans/plus/parent>

Federal Direct PLUS Loan - Grad PLUS

A Grad PLUS Loan for Graduates allows a graduate student to borrow any amount up to the student's cost of attendance minus all financial aid the student may receive for the enrollment period.

What is required to receive a Graduate PLUS Loan?

1. Complete the [FAFSA](#).
2. Log into [Federal Student Aid](#) account with your FSA ID.
3. Complete the Grad PLUS loan application at: <https://studentaid.gov/plus-app/grad/landing>
4. Complete the [Graduate PLUS Master Promissory Note](#). **Note:** If the loan is denied and the you wish to seek an endorser, please fill out the MPN before adding an endorser to the loan.

Note: Once our office has received and awarded your PLUS loan, you will need to login to your Financial Aid Offer page to accept your loan offer. You can access this page by logging into Banner 9 Student from <https://pack.astate.edu/>

What if my application is denied?

An appeal or endorser may also be an option if a loan is denied. If an appeal or endorser is approved for the specific loan application, an [MPN](#) and [PLUS Loan Credit Counseling](#) is required to receive the loan funds.

Please note: an MPN and Credit Counseling is required for each loan that is approved by appeal or endorser. If your loan is being endorsed please email our PLUS Loan coordinator. The Federal Student Aid does not notify us that the loan is being endorsed and we must pull it in manually.

For summer session(s), you must complete a separate loan application, since it is a separate loan term.

Credit applications only stay on file for 6 months. This is subject to change according to federal regulations. We recommend to apply 1 month classes begins. If the approval date is expired, the loan funds will not disburse. Loans applications take at least 24 hours to get to us and they will be processed in the order they were received.

How Much Can Be Borrowed?

Graduates may borrow up to their total cost of attendance less other financial aid received such as grants, scholarships and loans. The total cost of attendance is determined by the Office of Financial Aid based on an average cost for tuition, books, room and board, travel, and miscellaneous expenses for the academic year.

What is the Loan Processing Fee?

The [processing fee](#) is a fee the lender charges up-front for providing you the loan. The processing fee for a loan disbursed:

1. Between October 1, 2020 and before October 1, 2025 is **4.228%**
2. Between October 1, 2019 and before October 1, 2020 is **4.236%**

What is the Interest Rate?

The fixed interest rate is

1. **9.08%** for a loan disbursed between July 1, 2024 and before July 1, 2025.
2. **8.05%** for a loan disbursed between July 1, 2023 and before July 1, 2024.

*Interest begins accruing at the time of the first disbursement.

When do I have to Repay?

1. Repayment begins within 60 days after the final disbursement for the loan period.
2. [Deferment](#) may be an option.

For more information, visit Federal Student Aid's page at: <https://studentaid.gov/understand-aid/types/loans/plus/grad>

Federal Direct Loans - Subsidized and Unsubsidized

What is a Federal Direct Student Loan?

Federal Direct Student Loans include Direct Subsidized Loans and Direct Unsubsidized Loans. These loans are offered by the U.S. Department of Education to help eligible students pay for college costs at universities, community colleges, and trade or technical schools. (You may also hear these loans called "Stafford Loans," but that is not the official name.)

After a student completes the FAFSA, eligible loan funds are sent to the school listed on the FAFSA. Both undergraduate and graduate students may receive these loans to help cover their educational expenses. At Arkansas State University, loan funds are disbursed after the loans have been approved, processed, and the student's classes have begun.

How to apply for a Federal Direct Student Loan?

1. Complete the Free Application for Federal Student Aid (FAFSA) on Federal Student Aid's website at: <https://studentaid.gov/h/apply-for-aid/fafsa>. Arkansas State University's school code is 001090.
2. Complete the Direct Loan Entrance Counseling on Federal Student Aid's website: <https://studentaid.gov/entrance-counseling>
3. Complete the Subsidized/Unsubsidized Master Promissory Note on Federal Student Aid's website: <https://studentaid.gov/mpn/>
4. Loans must be accepted online from your Financial Aid offer page. You can access this page by logging into Banner 9 Student through <https://pack.astate.edu/>
5. Loans will be disbursed directly to your Arkansas State University Student Account

Note: Students must complete the FAFSA every year to continue to apply for a Federal Direct Student Loan.

The Subsidized Federal Direct Student Loan

Beginning July 1, 2012, only undergraduate students are eligible for Federal Subsidized Loans. Graduate students are no longer eligible to receive this type of loan. Eligibility for subsidized loans is based on financial need as determined by federal guidelines. A loan is called "subsidized"

because the government pays interest for the student during:

At least half-time enrollment (6 or more hours) with A-State (Dual Enrollment hours will not count) and the six-month grace period after the student ceases attendance on at least a half-time basis.

The Unsubsidized Federal Direct Student Loan

This type of loan is available to students regardless of income or need. With an unsubsidized loan, you are responsible for all interest that accrues during in school, grace, and deferment periods. You may choose to pay the interest portion only while in school, which would keep your loan balance at principal. If you choose to defer such payments, the interest will be capitalized.

What is a Master Promissory Note?

A master promissory note is a signed agreement promising payment of a sum of money, i.e. by signing a master promissory note for a federal direct loan the student is agreeing to repay their loan proceeds to their designated servicer. Complete your master promissory note [here](#).

Why must a student complete entrance counseling?

The Loan Entrance Counseling provides the student detailed information on the Federal Direct Student Loan Program. It is very important for the student to understand their rights and responsibilities when borrowing money for school. Complete your Loan Entrance Counseling [here](#).

How much can I borrow?

Check out the Federal Student Aid Direct Loan website for information regarding loan amounts at: <https://studentaid.gov/>

Check on your Federal Loans

Information regarding your federal student loans is located on your Federal Student Aid account at: <https://studentaid.gov/>

Once you are logged into your Federal Student Aid account you can view your loans by clicking on "My Aid".

When do I begin to repay my Federal Direct Loans?

Each student is given a period of time before loan repayment begins; this is called a “grace period”. The federal direct loan grace period is six months after the student graduates, leaves school, or drops below half-time status. Once a student exceeds their grace period, they must begin loan repayment. Federal direct loans are repaid to the holder of the loan, with 10-25 years to repay, depending on the total amount the student has borrowed.

For additional information, log in to <https://studentaid.gov/>

Transitioning from Undergraduate to Graduate Financial Aid (Same Academic Year)

Transitioning from Undergraduate to Graduate Financial Aid (Same Academic Year)

If you're graduating during the Fall or Spring term and will be continuing your education as a graduate student within the same academic year, there are a few important steps you must complete to receive graduate-level financial aid.

1. Update Your FAFSA

Review your current year FAFSA and check how you answered the question:

"What is your current grade level?"

- If you selected **Junior** or **Senior**, you must submit a correction.
- Update your answer to: **"College Graduate, Professional, or Beyond."**

This update is required to reflect your new graduate student status and determine your eligibility for graduate-level financial aid.

2. Complete Graduate Loan Requirements

After submitting your FAFSA correction, you must complete the following graduate student loan requirements:

- **Master Promissory Note (MPN) for Graduate Students**
 - <https://studentaid.gov/mpn/>
- **Direct Loan Entrance Counseling for Graduate/Professional Students**
 - <https://studentaid.gov/entrance-counseling/>

These steps are required before graduate loan funds can be processed.

3. Review Your Financial Aid Offer

Once your FAFSA correction has been processed:

- Our office will review your updated information
- Determine your eligibility for graduate-level aid
- Post your financial aid offer to your student account

You will then be able to review and accept your awards.

Need Help?

If you have any questions or need assistance, please contact our office at **870-972-2310**.