

5. The Department of Education will send Direct Loan funds to the Purdue Bursar. Information on direct deposit of excess funds is available at www.purdue.edu/Bursar/PDF/DirectDeposit.pdf.

Federal Direct Stafford Loans

The Federal Stafford Loan Program offers educational loans to students. Eligibility for a Direct Stafford Loan is established by filing the FAFSA. For Stafford Loans disbursed between July 1, 2010, and June 30, 2011, the interest rate is fixed at 4.5% for undergraduate Subsidized Stafford Loans (only) and fixed at 6.8% for Unsubsidized Stafford Loans and graduate/professional Stafford Loans. Based on eligibility and the family financial strength, students may qualify for a Subsidized Direct Stafford Loan (the interest is paid by the government while the student is in school) or an Unsubsidized Direct Stafford Loan (accrued interest is the responsibility of the borrower).

Federal Direct Parent or Grad Plus Loans

The Federal Direct PLUS Loan Program is a non-need-based loan program where the parent or graduate/professional student is the borrower. Borrowers are required to pass a credit check; repayment of principle begins 60 days after full disbursement of the loan. Borrowers may request a deferment on their payments at www.studentloans.gov. Borrowers may be eligible to have their payments postponed and during the postponement period the interest accrual is capitalized. The PLUS interest rate is fixed at 7.9%; there are loan default and origination fees that are charged to the borrower. More information on the PLUS Loan application process is available at www.purdue.edu/DFA.

Direct Loan Fees

Up to 1.0% in fees may be charged to the Stafford borrower, including a 0.5% federal origination fee and a 0.5% federal default fee. The effective up-front fee will be 0.5% of the loan. For example, the proceeds of a \$10,000 loan will be reduced by \$50. If a student fails to make 12 consecutive on-time payments, they will be billed an additional 1.0% fee. Up to 4% in fees may be charged to the PLUS borrower. The effective up-front fee will be 2.5% of the PLUS Loan. For example, the proceeds of a \$10,000 loan will be reduced by \$250. If the PLUS borrower fails to make 12 consecutive on-time payments, they will be billed an additional 1.5% fee.

Private "Alternative" Loans

A wide and growing array of borrowing options now exists to enable students to borrow additional funds that may not be available through other loan programs. Alternative loans are subject to credit approval and borrower requirements. Most programs offer the possibility of deferred repayment until the student is out of school, though the interest is not subsidized. For information about how to choose a private alternative loan lender, visit www.purdue.edu/dfa/loans/altloans.php.

A Word about Default

When you accept a student loan, you also undertake the obligation to repay it. This is a serious obligation, no different than securing a loan for a house or other major purchase. Contrary to popular belief, default on a student loan is not ignored by colleges, banks, or the federal government. Default on student loans will adversely affect your credit rating and eventually may lead to prosecution.

Need Help? Have Questions?

Staff members in Purdue's Division of Financial Aid provide quality counseling and information services. If you need assistance of any kind, there are several ways you can contact our office:

- Phone-in counseling is available Monday through Friday from 8:00 a.m. to 5:00 p.m. Eastern via our Call Center, (765) 494-0998.
- Walk-in counseling also is available on a first-come, first-served basis. Hours: Monday through Friday, 8:00 a.m. to 5:00 p.m. Eastern. Location: Schleman Hall, Room 305.
- You also can reach our counselors the following ways:
E-mail: facontact@purdue.edu
Fax: (765) 494-6707
Mail: Division of Financial Aid, Purdue University, Schleman Hall of Student Services, Room 305, 475 Stadium Mall Drive, West Lafayette, IN 47907-2050
- Individual student financial aid information can be found through the Purdue West Lafayette Financial Aid Self Service site on myPurdue.
- General financial aid information can be found by visiting www.purdue.edu/dfa or calling (765) 494-5050.

U.S. Department of Education Federal Student Aid (FSA) Ombudsman

- The U.S. Department of Education has made available to students contact information for the office of the FSA Student Loan Ombudsman. This office works with student loan borrowers to informally resolve federal loan disputes and problems. It is best to think of the Ombudsman as a last resource. When you have made a reasonable effort to resolve your student loan problem with your lender/servicer and the problem is still not resolved, contact the Ombudsman via the following:
E-mail: fsaombudsmanoffice@ed.gov
Online help: www.ombudsman.ed.gov
Telephone: (877) 557-2575 (toll free)
Mail: U.S. Department of Education
FSA Ombudsman
830 First Street N.E.,
Washington, DC 20202-5144

Purdue CashCourse

- Visit the Purdue CashCourse link at www.cashcourse.org/purdue/Default.aspx for financial literacy information on student loan repayment, budgeting, and making well-informed financial decisions during college.

STUDENT LOANS



Student Loans at Purdue University

Student loans offer students and their families a means to meet college costs while spreading these costs over an extended repayment period. This form of aid has become the primary method for many students to finance their education. Most loan programs provide the option to defer repayment until after graduation or until the student ceases to be enrolled at least half time (6 hours for undergraduates, 4 hours for graduate students). There are Federal and private alternative loan programs available to students and their families. Detailed information about the various programs is contained in this brochure and at www.purdue.edu/dfa/loans.php.

Students are required annually to file the Free Application for Federal Student Aid (FAFSA) to be considered for Federal student loan programs. Filing by the March 1 priority deadline is required for some loan programs.

The Federal Perkins Loan Program

This loan program is offered to low-income students/families. By filing the FAFSA by the March 1 priority deadline, students are considered for a Federal Perkins loan. Students are offered this loan on the Financial Aid Eligibility Notice; if the offer is accepted online via the Financial Aid Self Service system on myPurdue and not rejected by the student, Educational Computer Systems, Inc. (ECSI), will notify the student by e-mail to go online and complete a promissory note.

The Purdue Loan Programs

These institutional loan programs are offered to low- and middle-income students/families. By filing the FAFSA by the March 1 priority deadline, students are considered for a Purdue loan program. Students are offered this loan on the Financial Aid Eligibility Notice; if the offer is accepted online via the Financial Aid Self Service system on myPurdue and not rejected by the student, Educational Computer Systems, Inc. (ECSI), will notify the student by e-mail to go online and complete a promissory note.

The Federal Health Professions Loan Programs

By filing the FAFSA by the March 1 priority deadline, students in the School of Pharmacy and the School of Veterinary Medicine are considered for a Health Professions loan.* Students are offered this loan on the Financial Aid Eligibility Notice; if the offer is accepted online via the Financial Aid Self Service system on myPurdue and not rejected by the student, Educational Computer Systems, Inc. (ECSI), will notify the student by e-mail to go online and complete a promissory note.

* Unlike some other federal loans, the Health Professions loan program requires parents of "independent" students to report their financial information on the FAFSA.

The William D. Ford Federal Direct Loan Program: Stafford Loans, Parent PLUS, and Grad PLUS Loans

Direct Stafford Loans (Subsidized and Unsubsidized), Direct PLUS Loans, and Direct Consolidation Loans make up the Direct Loan Program. The Direct Loan Program offers educational loans to undergraduate students, graduate students, and parents directly through the U.S. Department of Education.

Direct Loan Application Procedures

1. The student should file the FAFSA and complete any information requests to receive a Financial Aid Eligibility Notice showing Direct Loan eligibility.
2. Student borrower should accept Direct Stafford Loans online via the Financial Aid Self Service system on myPurdue. Parent borrowers must complete their application online via www.studentloans.gov. More information on borrowing Direct Loans is available at www.purdue.edu.
3. The Division of Financial Aid will certify borrower eligibility with the U.S. Department of Education.
4. All new Direct Loan borrowers must go to www.studentloans.gov to electronically sign a Master Promissory Note using their FAFSA PIN number.

Loan Information Chart

General Information	Federal Perkins Loans	Purdue University Loans	Health Professions Loans	Federal Direct Stafford Loans	Federal Direct Parent PLUS and Direct Grad PLUS Loans
Source of funds	Federal government and Purdue University.	Purdue University Alumni Foundation, friends of the University, business, and industry.	Federal government and Purdue University.	Federal government.	Federal government.
Loan amounts Annual maximums	Depends on financial need as calculated by Purdue's Division of Financial Aid. Maximum award generally does not exceed \$2,000.	Depends on financial need as calculated by Purdue's Division of Financial Aid. Maximum award generally does not exceed \$4,000.	Depends on financial need as calculated by Purdue's Division of Financial Aid. Maximum award amount varies.	Annual limits are \$5,500 for freshmen, \$6,500 for sophomores, \$7,500 for juniors/seniors/teacher license, and \$8,500 for graduate students. In addition, independent students may be able to borrow an additional amount of Unsubsidized Stafford Loan. This annual amount is \$4,000 for freshmen/sophomores, \$5,000 for juniors/seniors/teacher license, \$12,000 for graduate students, and \$24,500 for professional Pharmacy students, \$32,000 for professional Veterinary Medicine students.	Cost of education minus other aid.
Aggregate maximums	Undergraduate: \$20,000. Graduate: \$40,000.	Undergraduate: \$30,000. Graduate: \$50,000.	None.	Undergraduate: Dependent: \$31,000 (of which only \$23,000 can be subsidized). Independent: \$57,500 (of which only \$23,000 can be subsidized). Graduate: \$138,500 (of which only \$65,500 can be subsidized). Professional: \$224,000 (of which only \$65,500 can be subsidized).	None.
Minimum credit hours/semester	Undergraduate: 6. Graduate: 4.	Undergraduate: 6. Graduate: 4.	12 (enrolled in schools of Veterinary Medicine or Pharmacy and Pharmaceutical Sciences).	Undergraduate: 6. Graduate: 4 (to receive graduate loan limits, these must be graduate hours).	Federal Parent PLUS loans/undergraduate: 6. Federal Grad PLUS loan/graduate: 4: (to receive graduate loan limits, these must be graduate hours).
Cosigner required	No.	No.	No.	No.	Credit check will be conducted. See U.S. Department of Education requirements at www.studentloans.gov .
Interest rate	5% annually on declining balance.	5% annually on declining balance.	5% annually on declining balance.	For Stafford loans disbursed between July 1, 2010, and June 30, 2011, the interest rate is fixed at 4.5% for undergraduate Subsidized Loans (only) and fixed at 6.8% for Unsubsidized Stafford Loans and graduate/professional Stafford Loans.	For loans disbursed after July 1, 2008, the fixed interest rate is 7.9%.
Fees	None.	None.	None.	Up to 1.0% in fees may be charged to the Stafford borrower. See Direct Loan Fees on the back of this brochure for more information.	Up to 4% in fees may be charged to the PLUS borrower. See Direct Loan Fees on the back of this brochure for more information.
Repayment	\$40 minimum monthly payment. Larger amount may be required, if necessary, to repay loan within time limit.	\$50 minimum monthly payment. Larger amount may be required to repay loan within time limit.	\$15 minimum monthly payment. Larger amount may be required to repay loan within time limit.	\$50 minimum monthly payment. Larger amount may be required to repay loan within time limit.	\$50 minimum monthly payment. Larger monthly amount may be required to repay within time limit.
Early repayment penalty	None.	None.	None.	None.	None.
Maximum repayment period	10 years.	10 years.	10 years.	Generally 10 years, dependent upon repayment plan. Borrowers should seek detailed information at www.studentloans.gov .	Generally 10 years, dependent upon repayment plan. Borrowers should seek detailed information at www.studentloans.gov .
Consequences of delinquency	Account will be listed with a collection agency. Report will be made to a credit bureau. Readmission to Purdue University will be denied and official transcripts withheld. All further aid at Purdue University will be denied to student. Legal action will be taken on extended default.	Account will be listed with a collection agency. Report will be made to a credit bureau. Readmission to Purdue University will be denied and official transcripts withheld. All further aid at Purdue University will be denied to student. Legal action will be taken on extended default.	Account will be listed with a collection agency. Report will be made to a credit bureau. Readmission to Purdue University will be denied and official transcripts withheld. All further aid at Purdue University will be denied to student. Legal action will be taken on extended default.	Account subject to full range of U.S. Department of Education collection procedures. Prolonged delinquency may result in legal action by U.S. Attorney General or U.S. Department of Justice. Further aid at any university is denied to student.	Account subject to full range of U.S. Department of Education collection procedures. Prolonged delinquency may result in legal action by U.S. Attorney General or U.S. Department of Justice.
BORROWER BENEFITS					
Interest benefits	Borrower pays no interest while enrolled in school at least half time or during the grace period after leaving school.	Borrower pays no interest while enrolled at a Purdue campus at least half time or during the grace period after leaving school. Interest will begin to accrue after grace period expires if enrolled at a school other than Purdue.	Borrower pays no interest while enrolled in school full time or during the grace period after leaving school.	In the Subsidized Stafford Loan, the borrower doesn't pay interest while enrolled in school at least half time or during the grace period after leaving school. For any portion of a Stafford Loan that is not subsidized, the borrower is responsible for the interest from the point of disbursement.	No interest benefits. Interest is not paid by the federal government. The borrower is responsible for the interest from the point of disbursement. Interest will capitalize and accrue. Note: For Federal Grad PLUS Loans borrowers will be put in deferred status while in school.
Grace period	The six- or nine-month period from the date student ceases half-time enrollment status. No interest accrues during grace period. No payments due, but voluntary payments may be made to reduce interest after grace period.	The six-month period from the date student ceases half-time enrollment status. No interest accrues during the grace period. No payments due, but voluntary payments may be made to reduce interest after grace period.	The 12-month period from date student ceases full-time student status. No interest accrues during grace period. No payments due, but voluntary payments may be made to reduce interest after grace period.	The six-month period from the date student ceases half-time enrollment status. For Subsidized Stafford amounts, no interest accrues to student during grace period. No payments due, but voluntary payments may be made to reduce interest after grace period.	Federal Direct Parent PLUS: Within 60 days from full disbursement. Note: Borrowers may request a deferment; seek detailed information at www.studentloans.gov .
Deferred payment provisions	Applications obtained and deferments granted through Educational Computer Systems, Inc. (ECSI). Borrowers should seek detailed information at www.ecsi.net .	Applications obtained and deferments granted through Educational Computer Systems, Inc. (ECSI). Borrowers should seek detailed information at www.ecsi.net .	Applications obtained and deferments granted through Educational Computer Systems, Inc. (ECSI). Borrowers should seek detailed information at www.ecsi.net .	Applications are obtained and deferments granted through the Direct Loan Servicer for both Stafford and PLUS borrowers. The Direct Loan Servicer will send deferment information to borrowers with the disclosure statements or borrowers can seek detailed information by visiting www.studentloans.gov .	Applications are obtained and deferments granted through the Direct Loan Servicer for both Stafford and PLUS borrowers. The Direct Loan Servicer will send deferment information to borrowers with the disclosure statements or borrowers can seek detailed information by visiting www.studentloans.gov .
Cancellation provisions	The loan may be cancelled under the following conditions: 1) death of borrower, 2) total disability of borrower, 3) certain types of military service (contact ECSI for details), 4) obtain employment in a qualifying teaching service, 5) certain types of employment service (contact ECSI for details).	May be cancelled in the event of death or total permanent disability of borrower	May be cancelled in the event of death or total permanent disability of borrower.	The loan may be canceled in the event of death or total permanent disability of borrower. Seek detailed information at www.studentloans.gov .	The loan may be canceled in the event of death of borrower. Seek detailed information at www.studentloans.gov .
BORROWER RESPONSIBILITIES					
Entrance/exit interview	Handled through Educational Computer Systems, Inc. (ECSI). Report to ECSI prior to dropping below half-time status, withdrawing, graduating, or transferring.	Handled through Educational Computer Systems, Inc. (ECSI). Report to ECSI prior to dropping below half-time status, withdrawing, graduating, or transferring.	Handled through Educational Computer Systems, Inc. (ECSI). Report to ECSI prior to dropping below 12 credit hours, withdrawing, graduating, or transferring.	Entrance and exit counseling is required. You will be e-mailed loan counseling information and strongly encouraged to review the material and keep it for future reference. See www.studentloans.gov for more info on entrance and exit counseling:	Not applicable.
Notification of change of name and/or address	Notify Educational Computer Systems, Inc., 181 Montour Run Road, Coraopolis, PA 15108 Phone 1-888-549-3274	Notify Educational Computer Systems, Inc., 181 Montour Run Road, Coraopolis, PA 15108 Phone 1-888-549-3274	Notify Educational Computer Systems, Inc., 181 Montour Run Road, Coraopolis, PA 15108 Phone 1-888-549-3274	Contact U.S. Department of Education. Upon graduation, the borrower also must notify the loan servicer of expected permanent address and employer; borrower's next of kin; and any corrections to the borrower's name, address, Social Security number, driver's license number, and references.	Contact U.S. Department of Education. Borrowers should seek detailed information at www.studentloans.gov .