

What is a Federal Direct Loan?

A federal direct loan is money that you borrow from the federal government to help pay college expenses. All loans must be repaid.

A student must be enrolled at least half-time and be making satisfactory academic progress in order to receive the Federal Direct Subsidized Loan, the Federal Direct Unsubsidized Loan, the Federal Direct Parent Loan for Undergraduate Students (PLUS) or the Federal Graduate PLUS Loan (for graduate students).

Types of Federal Direct Loans

There are three types of Federal Direct Loans for undergraduate students



The Direct Subsidized Loan

This is a loan in the student's name. The student is pre-approved for the loan. The government will pay the interest on this loan while the student is in school. Repayment is deferred until 6 months after graduation, withdrawing from college, or when the student drops below half-time.

The Direct Unsubsidized Loans

This is a loan in the student's name. The student is pre-approved for the loan. The interest will accrue on this loan while the student is in school; you may elect to make quarterly interest payments while in school. Repayment is deferred until 6 months after graduation, withdrawing from college, or when the student drops below half-time.

The Parent Loan for Undergraduate Students (PLUS)

This is a loan in the parent's name and has to be credit approved. Only parents may apply for this loan to help offset the remaining balance of aid needed for an academic year, up to the cost of education. Repayment can be deferred until after the student graduates, withdraws or drops below half-time. You may elect to pay the interest while the student is in school. A parent must apply for this loan.

If the PLUS loan is denied, the student will be offered an additional unsubsidized loan. The unsubsidized loan will be in the student's name.

Interest rates vary each year. Please visit www.studentloans.gov for current interest rates.

Instructions on how to complete the loan process

Students

In order to receive the student direct subsidized or unsubsidized loan, the student must:

1. Accept the loans(s) in your financial aid package on the mylongwood portal
2. Go to www.studentloans.gov. Log in using your (the student's) information and FSA ID.
3. Complete "Entrance Counseling"
4. Complete a Master Promissory Note

Parents

In order to receive the Direct Parent PLUS loan, the parent must:

1. The student must accept the PLUS loan in their financial aid package on the Mylongwood portal
2. Go to www.studentloans.gov. The parent will need to log in using the parent's information and the parent's FSA ID.
3. Choose "Request Direct PLUS loan"
4. Sign a Master Promissory Note

Longwood will receive loan funds after the add/drop period of each semester. Those funds will be applied to your student account and any excess will be refunded to the student. Students may sign up for direct deposit for refunds on the MyLongwood portal.

Federal Loan Limits

Year in College	Direct Loan Limits Dependent Students	Direct Loan Limits Independent students and dependent students whose parents were denied a PLUS loan
Freshmen	\$5500	\$9500
Sophomores	\$6500	\$10,500
Junior/Seniors	\$7500	\$12,500
Graduate Students		\$20,500

Private/alternative loans –The private/alternative loan is an educational loan through a lender chosen by the borrower to provide a source of financial assistance for your education that is not covered by other forms of financial aid. The loan programs are not federally guaranteed or subsidized. These loans are offered by lenders from the private sector and have no connection to the federal government or Longwood University. Interest rates are sometimes variable and based on market interest rates (such as Prime Rate or LIBOR) that can change on a quarterly basis. Eligibility is based on the review of the borrower's and/or co-borrower's credit worthiness and ability to repay the loan. Approval is not guaranteed. Maximum loan amount is limited to the cost of attendance minus any other financial aid you are receiving. Students are responsible for researching the terms and conditions of all loan programs. Students interested in a Private/Alternative loan should contact the Office of Financial Aid to determine the amount of student loan you should request and/or pursue any other financial aid options. Once the lender has been selected, you should apply online through the selected lender's website. After the loan has been approved, a certification request will be sent to our office from the lender. The loan will be certified by the Office of Financial Aid and the lender will disburse the funds to the school on the date designated by the school. The funds will be applied to your student billing account and a refund issued if necessary. Please visit our website for the Historical Lender List.

Federal Direct Loans for Graduate Students

Federal Graduate PLUS loans are loans in the student's name, to assist with the cost of education. Students must complete the Free Application for Federal Student Aid (FAFSA) to be considered for this loan. Eligibility must be determined for the Federal Direct loan before consideration for the Graduate PLUS loan. Borrowers are required to pass a basic credit check. Eligible credit-worthy students can borrow up to the cost of education minus other financial aid received. If borrower is denied the Grad PLUS loan, he/she may still be eligible for the loan with a credit-worthy endorser. Borrower must meet the Satisfactory Academic Progress requirements and be enrolled at least half-time (5 credit hours). Students interested in applying for the Graduate PLUS loan should contact the Office of Financial Aid to determine eligibility and assistance with the process.

For additional information contact:

The Office of Financial Aid

201 High Street, Farmville, VA 23909

(434) 395-2077 finaid@longwood.edu 800-281-4677



LOANS

When borrowing.....

1. Choose loans carefully.
2. Borrow only the amount you need.
3. Make a budget and stick to it.
4. Borrow from the Federal loan program before considering private education loans.