

ILLINOIS STATE UNIVERSITY
Financial Aid Office
2018-2019 Federal Direct Loan Application

You should know the following facts about the Federal Direct Loan Program:

- The U.S. Department of Education will be your lender, through Illinois State University. You do not need to contact a bank, savings and loan institution, credit union or other type of lender, even if you used such a lender in the past. Prospective borrowers start the application process by completing the 2018-2019 Free Application for Federal Student Aid (FAFSA) or Renewal FAFSA (for continuing students).

- If you are considering attending the summer session 2019, you should be aware that borrowing the maximum amount for fall and/or spring 2018-2019 would leave you with NO loan eligibility for the summer session 2018, unless you advance a class level that increases your loan eligibility.

- There are three kinds of Federal Direct Loans:

1. Federal Direct Subsidized Loan -- The federal government will pay the interest on the loan while you are in school. You must demonstrate financial need to receive this loan. **From July 1, 2017 – June 30, 2018 the fixed in-school interest rate for undergraduate students is 4.45%.**

2. Federal Direct Unsubsidized Loan – If you are ineligible (or ineligible in part) for a subsidized loan, an unsubsidized loan may be awarded. You are responsible for all interest charges while you are in school. **These loans have a fixed interest rate of 4.45%. Borrowers have the option of paying the interest** quarterly or "capitalizing" the interest, i.e., adding the interest to the principal amount of the loan. You may combine the subsidized and unsubsidized loans, up to the program maximum. In addition, *independent* students may borrow an additional amount as a Federal Direct Unsubsidized Loan.

- Loan amounts listed in the box at right are **maximums**; you should borrow conservatively, and only the amount you **need**.

LOAN LIMITS
DEPENDENT STUDENT

Subsidized Direct Loan amount cannot exceed the following **award year*** maximums:

1st year undergraduate	\$ 3,500
2nd year undergraduate	4,500
Other undergraduate	5,500

Combined subsidized and unsubsidized Direct Loan amount cannot exceed the following **award year*** maximums:

1st year undergraduate	\$ 5,500
2nd year undergraduate	6,500
Other undergraduate	7,500

INDEPENDENT¹ STUDENT

Subsidized Direct Loan amount cannot exceed the following **award year*** maximums:

1st year undergraduate	\$ 3,500
2nd year undergraduate	4,500
Other undergraduate	5,500

Combined subsidized and unsubsidized Direct Loan amount cannot exceed the following **award year*** maximums:

1st year undergraduate	\$ 9,500
2nd year undergraduate	10,500
Other undergraduate	12,500
Graduate (unsubsidized only)	20,500

¹An independent student is a student who answers "yes" to any one of questions **45 – 57** on the FAFSA form. A student who does not meet *at least one* of the criteria for independent status is dependent.

*Illinois State University defines the award year as the fall semester, the spring semester and the summer session, **in that order**.

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Use this form if:

- You were not awarded a loan as part of your initial financial aid package and you now want to request a loan. Check with the Financial Aid Office to determine your loan eligibility.
- You were awarded a loan as part of your initial financial aid package but you want to request an increased amount. Check with the Financial Aid Office to determine if you have remaining loan eligibility.

University I.D. Number: _____ - _____ - _____

Name (printed): _____
(Last) (First) (M.I.) (Maiden or other)

Complete items A through C, furnishing all information requested.

A. I wish to borrow the following **TOTAL** amount: \$ _____
 (Refer to the loan limits on the reverse side of this form.)

B. I wish to apply for a **Federal Direct Loan** for the academic term(s) indicated. (Place a check mark in the appropriate box.)

Fall / Spring 2018-2019 Fall 2018 ONLY Spring 2019 ONLY

C. If you are ineligible (or ineligible in part) for a subsidized Federal Direct Loan, will you accept all or part of your loan as an **unsubsidized** Federal Direct Loan? (You are responsible for the interest while you are in school and during the grace period.) Yes No

If you decide at a later date that you do not want a Direct Loan or that you will not attend Illinois State, please notify the Financial Aid Office in writing so that your loan application can be canceled.

If you are a *dependent student* and wish for your parent to apply for a **Federal Direct PLUS Loan (Parent Loan) Application**, please have parents complete an on-line application at www.studentloans.gov.

NOTE: If you are applying for a subsidized and/or an unsubsidized Federal Direct Loan, the amount certified will be the amount requested or the maximum amount you are eligible to borrow under program regulations, whichever is less. **You must complete and submit this form at least 2 weeks prior to the last day of the academic term.**

I understand that all previously submitted information and affirmations on the 2017-2018 Free Application for Federal Student Aid (FAFSA) signed by me are applicable to this request.

 Signature of Student

 Date

PLEASE FAX THIS DOCUMENT TO THE FINANCIAL AID OFFICE:

FAX: 309 438-3755

Please allow 24 – 48 hours for fax to be processed