

Student Loans

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Office of Student Financial Aid THE UNIVERSITY OF IOWA

Student Loans

- Applying for student loans
- Types of student loans
- Managing student loans in school
- Loan repayment

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Applying for Federal Student Loans

- ➔ FAFSA (Free Application for Federal Student Aid)
 - fafsa.gov
 - myStudentAid mobile app
 - Complete application yearly: opens October 1
- ➔ Eligibility:
 - US citizen or permanent resident
 - Enrolled at least half-time
 - Not be in default on a federal student loan, or owe a refund on a grant
 - Maintain Satisfactory Academic Progress (SAP – session in the next block!)
 - No conviction of selling or possession of illegal drugs
- ➔ Regardless of income, students qualify for loans

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Federal Student Loan Options

- ✓ **Subsidized loan**
 - Interest-free while in school
 - 4.529% fixed interest rate in repayment (for 2019-20 loans)
- ✓ **Unsubsidized loan**
 - Accrues interest while in school
 - Undergraduate: 4.529% fixed interest rate
 - Graduate: 6.079% fixed interest rate
- ✓ **Graduate/Parent PLUS loan**
 - Requires a credit check
 - Parents: apply each semester at studentloans.gov
 - If denied, undergrad student can borrow more unsubsidized loan (the student must contact us to request the additional loan)
 - 7.079% fixed interest rate and 4.248% origination fee

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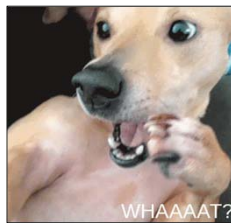
Federal Student Loans

Maximum Loan Limits for Federal Direct Loans			
	Dependent Undergraduate	Independent Undergraduate	Graduate - Unsubsidized
First Year	\$5,500	\$9,500	\$20,500 (Health Prof. Students may have more options)
Second Year	\$6,500	\$10,500	
Third Year +	\$7,500	\$12,500	
Aggregate Loan Limit	\$31,000	\$57,500	\$138,500

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That's not much for loans!



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Other Loan Options

- ➔ PLUS loans for the remaining cost of attendance
- ➔ Private student loans
 - Comparison tool on our website

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Managing Student Loans in School

Financial Aid To Do List in MyUI

• Complete these items if you want to receive the awards on your award notification

Student Loans	Status	Notes
Federal Direct Stafford Loan Entrance Counseling	NOT COMPLETED	You will log into https://studentaid.gov and click Complete Loan Counseling. Start the Entrance Counseling.
Federal Direct Stafford Loan Master Promissory Note	NOT COMPLETED	You will log into https://studentaid.gov and click Complete Loan Agreement (Master Promissory Note). Start the MPN for Federal Government Loans.
Student Loan Acceptance	NOT COMPLETED	You need to accept, reject, or decline your student loans before they can be released.
Parent Loans		
Federal Direct Parent PLUS Loan Entrance Promissory Note	NOT COMPLETED	Your parent will log into https://studentaid.gov and click Complete Loan Agreement (Master Promissory Note). Start the PLUS form for Parents.
Federal Direct Parent PLUS Loan Request	NOT COMPLETED	Your parent will log into https://studentaid.gov and click Apply for a Direct PLUS Loan. Start the Direct PLUS Loan Application for Parents. An new loan must be made before the current loan is disbursed.

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Managing Student Loans in School

Financial Aid To Do List in MyUI

STUDENT LOAN ACCEPTANCE AWARD YEAR: 2018 - 2019

• Read these instructions before you accept or decline. You may withdraw from school before you can be released to pay over a loan amount to you. You can make changes to your loan amount and interest rate through MyUI. You may need to contact your lender.

STUDENT LOAN SUMMARY

FALL 2018			
Amount	Interest	Status	Release Date
Federal Direct Unsubsidized Stafford Loan	\$1,000	ACCEPTED	10/01/2018
Federal Direct Subsidized Stafford Loan	\$1,000	ACCEPTED	10/01/2018
SPRING 2019			
Amount	Interest	Status	Release Date
Federal Direct Unsubsidized Stafford Loan	\$1,000	ACCEPTED	05/01/2019

You should be aware of different loan or interest rate plans. Use the appropriate button below. You will be taken to a new page to review your loans. You can only accept/decline/reject your loans once in MyUI. If you change your mind after you can email the Office of Student Financial Aid at financialaid@uiowa.edu to update your loan request. Please provide your name and address of student. Requests must be made by phone.

[Accept or Decline Loan](#)
[Make My Interest Loan](#)
[Withdraw Loan](#)

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Managing Student Loans in School

- ✓ Excess financial aid is refunded to the student
- ✓ Students can reduce loans after they have disbursed
 - Cancel through our office – cancels accrued interest and loan fees
 - Student pays reduced loan through Ubill
- ✓ Can make payments toward loans through servicer

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Student Loans at UI

- ➔ \$28,000 average loan debt for undergraduates
 - 40% of undergraduates do not borrow loans
- ➔ Private loan counseling (2017-18)
 - 9% average loan reduction
 - Of those who reduce, on average reduce the loan by 40%
 - Total reductions: \$1.8 million
- ➔ Very low default rate
 - Typically those who do default borrowed less than \$10,000 and didn't complete their degree

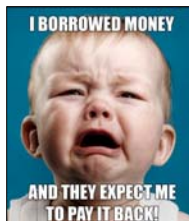
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Student Loan Repayment

Standard 120 months	\$323 /month \$38,760 total
Graduated 120 months	\$181 - \$542 /month \$41,895 total
Extended Fixed 180 months	\$172 /month \$30,960 total
Extended Graduated 180 months	\$116 - \$293 /month \$30,960 total
Revised Pay As You Earn (REPAY) 120 months	\$102 - \$402 /month \$10,200 total
Pay As You Earn (PAYE) 120 months	\$102 - \$225 /month \$10,200 total
Income Based Repayment (IBR) 120 months	\$152 - \$323 /month \$14,280 total
Income Contingent Repayment (ICR) 120 months	\$254 - \$253 /month \$4,280 total

Assumes \$31,000 borrowed with \$30,000 starting salary



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Questions?

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