

## Federal Direct Subsidized / Unsubsidized Student Loan Information and Instructions: 2020-21 Academic Year

Recommended Deadline: 30 days before funds are needed

Loans through this government sponsored program are in the student's name and do not require a co-signer or credit check. Students borrow directly from the federal government. If you wish to decline or reduce the amount of the Direct Subsidized or Unsubsidized Loan listed on your financial aid notification, please indicate your requested change(s) by emailing [finaidloans@gettysburg.edu](mailto:finaidloans@gettysburg.edu).

Direct <b>Subsidized</b> Student Loan	Direct <b>Unsubsidized</b> Student Loan
<ul style="list-style-type: none"> <li>Borrower: student</li> <li>Interest Rate: 2.75% (fixed) as of 7/1/2020 *</li> <li>Origination fee: 1.059%*</li> <li>Grace Period: 6 months</li> <li>Repayment Period: 10 years</li> <li>The government pays the interest while the student is enrolled at least half-time. <i>Interest accrued during the grace period will be payable by the student.</i></li> <li>Awarded only to students with financial need.</li> </ul> <p><small>* The origination fee may change for loans first disbursed on and after October 1, 2020.</small></p>	<ul style="list-style-type: none"> <li>Borrower: student</li> <li>Interest rate: 2.75% (fixed) as of 7/1/2020 *</li> <li>Origination fee: 1.059% *</li> <li>Grace Period: 6 months</li> <li>Repayment Period: 10 years</li> <li><b>Interest accrues</b> during the in-school period but can be capitalized (added to the principal) for repayment after the student drops to less than half-time enrollment.</li> <li>Awarded to students regardless of financial need.</li> </ul> <p><small>* The origination fee may change for loans first disbursed on and after October 1, 2020.</small></p>

Federal legislation limits the maximum undergraduate Federal Direct Loan borrowing to \$31,000 through the Federal Student Loan Program (unless the student is an independent student or a parent cannot borrow through the Federal PLUS Loan Program).

**Keep track of your federal student loans!**  
Login into My AID at [studentaid.gov](http://studentaid.gov).

Grade Level	Base Loan Amount <i>Subsidized or Unsubsidized</i>	Additional <i>Unsubsidized</i> Loan Amount
First-year <small>estimated standard repayment 120 months/10 years</small>	\$3,500 <small>\$33*/month</small>	\$2,000 <small>\$21*/month</small>
Sophomore <small>estimated standard repayment 120 months/10 years</small>	\$4,500 <small>\$43*/month</small>	\$2,000 <small>\$21*/month</small>
Junior or Senior <small>estimated standard repayment 120 months/10 years</small>	\$5,500 <small>\$52*/month</small>	\$2,000 <small>\$21*/month</small>

\*Under the standard repayment plan, the minimum monthly payment for all of your loans within the Federal Direct Loan Program is \$50.

### Federal Direct Subsidized/Unsubsidized Loan Requirements

*If not completed by mid-June, Direct Loans will be removed from your award*

1. Complete **Entrance Counseling** at [studentaid.gov](http://studentaid.gov)  
*The Federal Government requires you to complete entrance counseling to ensure that you understand the responsibilities and obligations you are assuming.*
  - Located under the Complete Aid Process navigation tab
  - Have your FSA ID available- *this must be completed with the student's FSA ID*
  - Have 20-30 minutes available; you must complete the entire counseling in one session.
  - List Gettysburg College as your School Name
  - If you would like to enter your 2020-21 loan information, have your financial aid award available – *sample loan amounts will not be pre-populated*
  
2. Complete a **Master Promissory Note (MPN) for a Subsidized/Unsubsidized Loan** at [studentaid.gov](http://studentaid.gov)  
*This is a legal document in which you promise to repay your federal student loan(s) and any accrued interest and fees to your lender or loan holder. This may also be referred to as a Loan Agreement.*
  - Located under the Complete Aid Process navigation tab
  - Have your Social Security Number, FSA ID and names, addresses and telephone numbers for two references available.
  - Have 20-30 minutes available; you cannot save a partially completed Loan Agreement (MPN).
  - List Gettysburg College as your School Name

Optional for 2020/21 Complete the **Annual Student Loan Acknowledgement (ASLA)** at [studentaid.gov/asla](http://studentaid.gov/asla)  
*This is an online tool that shows students how much in federal student loans they have borrowed, provides an estimate of average monthly payment once in repayment, and explains how interest accrues and capitalizes. Beginning with the 2021-22 academic year, all Federal Direct Loan borrowers will be required to complete the ASLA **each year** prior to disbursement of their federal student loans.*

- This tool is now available.

Students will only complete Entrance Counseling and the Loan Agreement (MPN) the first time that they borrow a Federal Direct Student Loan. During their final semester at Gettysburg (or upon dropping to less than half-time enrollment), students will be required to complete an online Exit Counseling session to prepare them for loan repayment.