



STUDENT LOANS CONNECT THE PIECES

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DISCUSSION TOPICS

- Financial Aid Process
- Federal Student Loans
- Alternative Funding
- Private Student Loans
- Connecting the Pieces



FINANCIAL AID PROCESS

THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

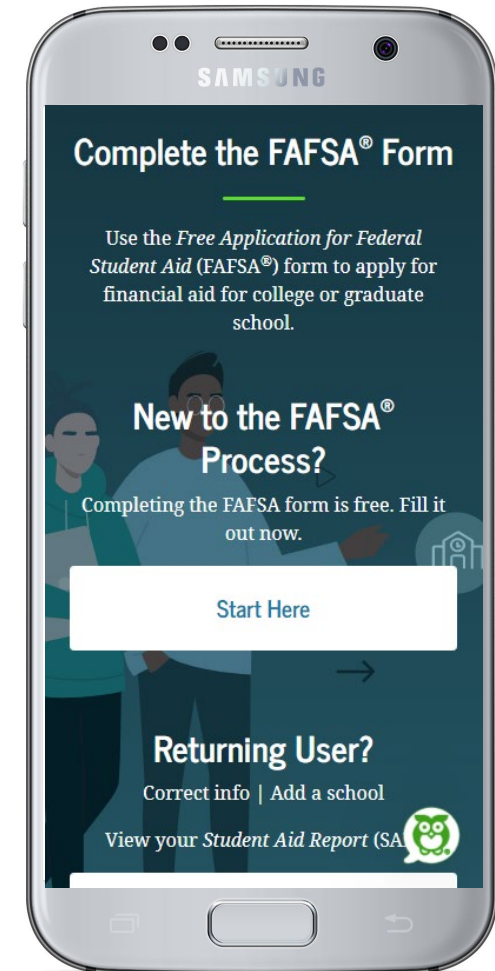
Apply or Learn More
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Who can apply?

- Dependent students and parents
- Independent students

After you complete the FAFSA:

- Student receives Student Aid Report (SAR), which provides basic information about your eligibility for federal student aid
- School receives Institutional Student Information Record (ISIR), which help financial aid admins interpret your information
- School creates financial aid award letter
 - Student compares letters from any/all schools
 - Determine if there is an unmet need
 - Compare student loans



FINANCIAL AID PROCESS

OVERVIEW

Complete the FAFSA

Receive award letter(s) and select a school

Apply for federal student loans

Consider alternative funding options

Apply for private student loans to fill any remaining funding gaps

Important Note

Be sure to apply for student loans in May and June!

Depending on your school, it can take up to 6 weeks after your completed loan application is approved for funds to be disbursed to your school.

FEDERAL STUDENT LOANS

FEDERAL DIRECT LOAN PROGRAM

Federal Direct Loan Program

- Undergraduate and graduate students
- Free Application for Federal Student Aid (FAFSA) **required**
- US Government is the lender
- Student's loan – no cosigner – no credit check
- Subsidized vs. unsubsidized (subsidized not available for graduate students)
- In-school repayment
 - Full deferral – interest-only payments – immediate repayments
 - Repayment begins six months after graduation, a student drops below half-time status or separates from school
- 10-year repayment term with additional repayment options
- Entrance counseling is **required** for first-time federal loan borrowers
- Annual student loan acknowledgment is **required** for all federal student loan borrowers

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Benefits

- Additional deferment
- Flexible repayment options
- Forgiveness programs
- Discharge
- Consolidation and refinance options

FEDERAL STUDENT LOANS

RATES/LIMITS: FEDERAL DIRECT LOAN PROGRAM

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Undergraduate

- Annual Limits
 - Freshman \$5500
 - Sophomore \$6500
 - Junior and Senior \$7500
- Interest Rate and Fee
 - 3.73% fixed – fee 1.057%*

Graduate

- Annual Limits
 - \$20,500
 - Medical \$40,500
- Interest Rate and Fee
 - 5.28% - fee 1.059%*

*Interest rates are good until June 30, 2022 and fees are good until October 1, 2022

FEDERAL STUDENT LOANS

FEDERAL DIRECT PARENT/GRADUATE PLUS LOAN PROGRAM

Federal Direct Parent/Graduate PLUS Loan Program

- Free Application for Federal Student Aid (FAFSA) **required**
- Parent of the undergraduate student or the graduate student
- Unsubsidized
- Repayment
 - In-school: full deferral – interest-only payment – immediate repayments
 - Repayment begins six months after graduation, a student drops below half-time status or separates from school
- 10-year standard repayment term with additional options

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Benefits

- Additional deferment
- Forbearance
- Flexible repayment options
- Discharge
- Consolidation and refinance options

FEDERAL STUDENT LOANS

RATES/LIMITS: FEDERAL DIRECT PARENT/GRADUATE PLUS LOAN PROGRAM

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- Fixed Interest Rate
 - 07/01/2021 – 06/30/2022: 6.28%
- Origination Fee
 - 10/01/2021 – 09/30/2022: 4.236%
- Annual Limit
 - Cost of attendance minus financial aid



PRIVATE STUDENT LOANS

INTRODUCTION

Before You Borrow

- Free Application for Federal Student Aid (FAFSA) **recommended but not required**
- Fills funding gaps after other sources of aid have been exhausted

Private Student Loans

- Borrower selects lender
- Student's loan and may require a co-signer
- Unsubsidized
- Repayment
 - Full deferral of payment until six months after graduation, student drops below half-time status or separates from school
- Repayment term determined by lender: 10 - 25 years

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Benefits

- Determined by the selected lender
- Flexible repayment options
- Competitive rates
- May include student loan refinance options

PRIVATE STUDENT LOANS

RATES/LIMITS

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- Interest Rates
 - Fixed and variable
 - Varies by lender
- Annual Limit
 - Cost of attendance minus financial aid



PRIVATE STUDENT LOANS

THE DECISION PROCESS

What to ask

- Interest rates
- Repayment terms
- Eligibility requirements
- Application process and timeline
- Member service
- Benefits



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Why choose a credit union?

Credit unions are not-for-profit organizations focused on serving their communities. As member-owned cooperatives, they have your best interests in mind.

When you choose your credit union, you'll enjoy:

- Great rates
- Unique line of credit
- Convenient repayment terms
- A life-long relationship with a lender you can trust

ALTERNATIVE FUNDING



Scholarships and Grants



Tuition Payment Plans



Education Savings Plans



Home Equity Loans



Student Employment

BEHIND THE SCENES: WHAT HAPPENS AFTER THE APPLICATION PROCESS

- The certification process
- Disbursement
- Refunds
- Loan servicing



CONNECTING THE PIECES

TIPS AND TRICKS

Attend Student Orientation
and Follow Schools Process

Borrow Smart: Understand
Student Loan Terms and
Rates

Gather Information Needed
Before Applying

Read Communication
Received from Dept. Of Ed,
School, and Lenders

Prepare for Costs Due Before
Loan Disbursements

Sit Back and Relax!!

THANK YOU FOR ATTENDING!

Tricia Poplicean

- College Counselor
- Credit Union Student Choice

Please contact us with any additional questions:

- scholarhelp@studentchoice.org