



**LOAN AND PAYMENT PLAN INFORMATION
FOR UNDERGRADUATE STUDENTS**

Listed below is some additional information regarding loan programs in which Philadelphia University participates. These forms of aid can supplement your aid package and may be available to you even if you do not qualify for other aid. Each type of aid may require a separate application. All student and parent borrowers (even if you borrowed previously) must complete a new Federal Direct Stafford Loan Master Promissory Note and a Federal Direct PLUS Loan Application and Master Promissory Note at the link at www.studentloans.gov to apply for a loan.

FEDERAL DIRECT STAFFORD LOAN

A Stafford Loan on your accompanying award letter indicates the amount of Stafford Loan that we expect you to receive. In order to complete the borrowing process, you will need to complete a "Federal Direct Stafford Loan Master Promissory Note" (MPN) one time. In future years, you will not need to complete a new MPN. The MPN is the legal document that you sign to obtain a student loan. The MPN is good for up to ten years.

The MPN can be completed at www.studentloans.gov. If you prefer a paper application, please contact us and we will send one to you.

Loans are available to students enrolled for at least six credit hours per semester. You may borrow up to the following amounts at the appropriate grade level(s):

Freshman	(0-29 credits)	\$3500
Sophomore	(30-59 credits)	\$4500
Junior	(60-89 credits)	\$5500
Senior	(90-130 credits)	\$5500
5th Year Senior		
Architecture Majors (131-160 credits)		\$5500

The total amount outstanding that you may borrow for undergraduate study is \$23,000.

The annual interest is a fixed rate at 6.8%. The government will pay this interest until you have terminated your studies or dropped below half-time status, at which time you must begin repayment of the interest. Principal repayment begins six months after you have terminated your studies or dropped below half-time status.

There is a loan origination fee of 1%. As a result, 1.0% of your loan will be deducted prior to disbursement.

Under current regulations, all applicants must pass a "needs test" to qualify for this loan. A Free Application for Federal Student Aid (FAFSA) must be

filed at www.fafsa.gov prior to certification of a loan application by the school.

You should begin applying for Federal Direct Stafford Loans in April.

Federal Direct Stafford Loan funds will be disbursed directly to the student's account after school begins for each semester. Your loan proceeds will automatically be credited to your bill.

We recommend that you complete your Stafford Loan application as soon as possible but no later than June 1st to ensure approval prior to the start of school.

UNSUBSIDIZED FEDERAL DIRECT STAFFORD LOAN

An Unsubsidized Federal Direct Stafford Loan on your accompanying award letter indicates the amount of Unsubsidized Federal Direct Stafford Loan that we expect you to receive. In order to complete the borrowing process, you will need to complete a "Federal Direct Stafford Loan Master Promissory Note" (MPN) one time. In future years, you will not need to complete a new MPN. The MPN is the legal document you sign when you get a student loan. The MPN is good for up to ten years.

The Unsubsidized Federal Direct Stafford Loan provides students, who do not qualify for all or part of the subsidized Federal Direct Stafford Loan due to need restrictions, the opportunity to borrow a low interest loan. The annual interest rate for the unsubsidized Federal Direct Stafford Loan is a fixed rate at 6.8%.

The annual limits that a student can borrow are identical to the subsidized Federal Direct Stafford Loan program. A new loan provision allows all undergraduate students to borrow \$2000 annually through the Unsubsidized Federal Direct Stafford Loan Program. This is in addition to the annual loan limits available through the chart on the left.



The distinguishing feature of the Unsubsidized Federal Direct Stafford Loan is that the interest must be paid by the student, on a quarterly basis, while the student is enrolled in school. (You may choose to postpone the interest payments while in school, but the interest will begin to accrue). Principal payments start six months after the student leaves school or drops below half-time status. Application procedures are identical to those for a Federal Direct Stafford Loan.

Independent students only: Additional unsubsidized loan funds beyond the Stafford limits are available in the following amounts:

\$4000 freshman and sophomore years

\$5000 junior and senior years

FEDERAL DIRECT PLUS LOANS

Parents of dependent undergraduates may borrow up to the student's cost of attendance minus any estimated financial aid. Eligibility is based on your parent's credit rating. An Estimated PLUS Loan on your accompanying award letter indicates the amount of Federal Direct PLUS Loan that we expect your parents may wish to borrow to help finance your education. In many instances, parents may be eligible to borrow more than the amount of Estimated PLUS Loan listed on your award letter.

The annual interest rate is a fixed rate of 7.9%. Repayment of principal and interest begins 60 days after the total loan is disbursed. A deferment option, which could delay your payments for up to 4 years, is now available.

Federal Direct PLUS Loan funds are issued directly to the school in two equal disbursements.

Please note that there is a 4% origination fee associated with the Federal Direct PLUS Loan. As a result 4% of the Federal Direct PLUS Loan amount borrowed will be deducted prior to disbursement to the school.

In order to complete the borrowing process, your parents will need to complete a Federal Direct PLUS Loan Application and Master Promissory Note at www.studentloans.gov and click on the PLUS loan information box. If you prefer a paper application, please contact us and we will mail one to you.

In addition to the MPN, the borrower must also complete the PLUS LOAN PROCESS. This determines the borrower's credit worthiness and asks for an amount to be borrowed.

It is strongly recommended that you complete your PLUS application as soon as possible but no later than June 1st to ensure approval prior to the start of school.

PAYMENT PLANS

Philadelphia University participates in a deferred plan to help families pay the university costs in 10 monthly installments. There is no interest charged, but there is a small annual fee. Enrollment for the payment plan begins in July preceding the start of the academic year. Information regarding the payment plan is enclosed in this packet.

You may contact our Student Accounts office (215-951-5988) or Tuition Management Systems (TMS) at 1-800-722-4867 or www.afford.com for more information.

ALTERNATIVE LOANS

An alternative loan can help to pay the student's remaining expenses after financial aid has been applied to the bill. The alternative loans are credit-based and offer flexible repayment options. Alternative loans are to be used to supplement other forms of financial aid. Alternative loans are student loans, with the student listed as the borrower. Most alternative loans will require that the student also have a credit worthy co-signer in order to be eligible. See our website for additional information about alternative loans.



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