

FEDERAL DIRECT LOAN PROGRAMS

Federal Subsidized Loan Program

Application Procedures

Students may obtain a loan application from Pratt's website, <https://www.pratt.edu/admissions/undergraduate-admissions/finance-your-education/>. This must be completed online and submitted to the Department of Education. The FAFSA must be filed and received by Pratt before eligibility for the loan can be determined.

Selection of Recipients and Allocation of Awards

To be eligible for a Federal Direct Subsidized Loan, a student must:

1. be a U.S. citizen or a permanent resident;
2. be enrolled in or admitted as at least a half-time undergraduate matriculated student at Pratt Institute; and
3. not owe refunds on Federal Pell Grants or any other awards paid, or not be in default on any student loan.

Federal Unsubsidized Loans

The same terms and conditions apply to this loan as to the Stafford Loan, except that the borrower is responsible for interest that accrues during deferment periods (including in school) and during the six-month grace period. This program is open to students who may not qualify for subsidized Federal Direct Loans. (Combined total cannot exceed Stafford limits.)

Origination/Insurance Fee

Borrowers pay a combined origination fee of 1.057 percent for loans first disbursed on or after Oct. 1, 2022.

Interest Rate

Interest rates as of July 1, 2023: 5.50 percent

Loan Schedule

Annual Loan Limits—after July 1, 2007:

Subsidized	Unsubsidized
\$3,500	\$2,000 first year
\$4,500	\$2,000 second year
\$5,500	\$2,000 other undergraduates
\$20,500	graduate and professional students

The annual loan limits for students enrolled in a program of study less than one academic year in length are prorated.

Aggregate Loan Limits

Amount	Description
\$31,000	dependent undergraduates (no more than \$23,000 can be subsidized)
\$57,500	independent undergraduates
\$138,500	undergraduate and graduate combined

Note: All student loans will be disbursed in two installments (including one semester).

Rights and Responsibilities of Recipients

All borrowers are required to submit a Master Promissory Note (MPN) to apply for a Federal Direct Stafford Loan (subsidized or unsubsidized). The MPN is an application for the Stafford Loan Programs and is valid for 10 years from the time that the student originally signs and submits. Students must also submit a Loan Confirmation Form. The student will still have to submit the FAFSA each year by October 1. The Office of Student Financial Services will notify the student of loan eligibility via the electronic financial aid award letter. Students should keep all of the letters received from the Office of Student Financial Services in order to keep track of loan amounts. If there are any changes made to the student's financial aid, a new electronic letter with the most current information will be emailed. Borrowers pay variable interest,* beginning six months after the student ceases to be enrolled half-time.

Six months after ceasing to be at least a half-time student, the borrower must make formal arrangements with the service to begin repayment. The following regulations apply:

1. The minimum monthly payment will be \$50 plus interest.
2. The maximum repayment period is 10 years.
3. The maximum period of a loan from the date of the original note may not exceed 15 years, excluding authorized deferments of payments.
4. Repayment in whole or part may be made at any time without penalty.

Parent Loan for Undergraduate Student (PLUS)

The Federal PLUS Loan may be used to offset expected family contribution and any unmet need remaining in the aid package, but in no case can the amount of the loan exceed the student's cost of attendance minus the student's other financial aid.

Annual Loan Limits

Cost of attendance minus other aid.

Aggregate Loan Limits

No aggregate limit.

Interest Rate

Visit <https://studentaid.gov/> for current information.

Origination Fees

4.228 percent for loans first disbursed on or after October 1, 2022, and before October 1, 2023.

Credit Check

Only parents who have no adverse credit history are eligible for PLUS loans.

Disbursements

All loans will be disbursed in two installments and repayment begins after the second disbursement.