

WASHINGTON AND LEE UNIVERSITY

Financial Aid Office: 540-458-8717/8032 FAX: 540-458-8614

Email: financialaid@wlu.edu

Low interest, deferred repayment education loans are a standard component of financial assistance packages. Need must be established for these loans, but students may choose not to accept a loan or to borrow less than the amount offered. THE FAFSA MUST BE COMPLETED IN ORDER TO DETERMINE ELIGIBILITY FOR ALL OF THESE LOANS.

FEDERAL STAFFORD LOAN (SUBSIDIZED)

- The student is the borrower.
- Loan funding is provided by the U.S. Department of Education.
- Eligibility is determined by the Financial Aid Office using federal eligibility guidelines.
- Depending on need and grade level, undergraduate students may be eligible to borrow from \$3,500 to \$5,500. Fixed interest rate is 6.8% for undergraduate students. While the student is enrolled half-time or more, interest is paid by the federal government. Interest begins to accrue as soon as the borrower either graduates or withdraws from the University; accrued interest is added to the loan principal at the end of the six month grace period.
- Both entrance and exit loan counseling are required and provided online.
- A 1.0% origination fee is deducted from each loan disbursement.
- Loans are disbursed to Washington and Lee twice during the period of the loan (usually coinciding with semester billings) by electronic funds transfer.
- Loans are automatically reported to a national credit bureau and become a part of the student's credit history.
- Exit Counseling is required and provide online upon graduation or withdrawal from the University.
- Monthly repayment commences six months (grace period) following graduation or withdrawal from the University; the Standard Repayment Plan allows for a repayment period of 10 years. Alternative repayment plans allowing for a longer repayment period are available. Deferment, postponement, or cancellation of repayment may be available for certain conditions.
- No prepayment penalties; however, penalties are assessed for delinquency or default.
- Separate application is required to obtain a Stafford Loan. The Master Promissory Note (MPN) and Entrance counseling must be completed online (www.studentloans.gov).

FEDERAL STAFFORD LOAN (UNSUBSIDIZED)

Terms are the same as for the Stafford Loan (Subsidized) with the following exceptions:

- Eligible student borrowers either may not qualify for the Subsidized Stafford Loan or may not qualify for the maximum Subsidized Stafford Loan.
- Fixed interest rate is 6.8%. Interest begins to accrue when the loan disburses; interest is *not* paid by the government while the student is enrolled. The accrued interest is added to the loan principal at the end of the six month grace period.
- Depending on the determination of eligibility, undergraduate students may borrow from \$2,000 to \$7,500 and law students may borrow up to \$20,500 per year.

FEDERAL GRADUATE PLUS LOAN (law students only)

- The student is the borrower.
- Loan funding is provided by the U.S. Department of Education.
- Students may borrow up to the cost of attendance minus other financial assistance received (e.g. loans, scholarships, work-study, etc.). The amount of eligibility is determined by the Financial Aid Office using federal eligibility guidelines.
- Qualification for the loan and the actual amount of loan approved is determined by the lender. Credit based loan borrowers may be denied if they have adverse credit history.
- Fixed interest rate is 7.9%. Interest is *not* paid by the government while the student is enrolled; the accrued interest is added to the loan principle.
- A 4% origination fee is deducted from each loan disbursement.
- Loan proceeds are disbursed to Washington and Lee twice during the period of the loan (usually coinciding with semester billings) by electronic funds transfer.
- Exit Counseling is required and provide online upon graduation or withdrawal from the University.
- Monthly repayment commences 60 days after final disbursement; however, a post enrollment deferment can be requested. Standard Repayment Plan allows for a repayment period of 10 years. Alternative repayment plans allowing for a longer repayment period are available. Deferment, postponement, or cancellation of repayment may be available for certain conditions.
- No prepayment penalties; however, penalties are assessed for delinquency or default.
- Consolidation with the Stafford Loans may be arranged to reduce monthly repayment and extend the repayment period beyond ten years.
- Separate application is required to obtain a Grad PLUS Loan. The Master Promissory Note (MPN) and Entrance Counseling must be completed online (www.studentloans.gov); a W&L document (Borrower Information Sheet/BIS) must be completed and sent to the Financial Aid Office.

FEDERAL PLUS LOAN (undergraduate parents only)

Terms are the same as for the Graduate PLUS Loan with the following exceptions:

- A parent or guardian is the borrower.
- Parent may borrow up to the cost of attendance minus other financial assistance the student has received (e.g. student loans, scholarships, work study, etc.).
- Monthly repayment commences 60 days after final disbursement; however, repayment can be deferred while the student is in school at least half-time.
- PLUS Loans cannot be consolidated with Stafford Loans.

FEDERAL PERKINS LOAN

- The student is the borrower.
- Loan funding is provided by the U.S. Department of Education.
- Eligibility is determined by the Financial Aid Office using federal eligibility guidelines.
- Depending on need, undergraduate students may be eligible to borrow up to \$5,500 and law students may be eligible to borrow up to \$8,000.
- Fixed interest rate is 5%. While the student is enrolled half-time or more, interest is paid by the federal government.

- Both Entrance and Exit Counseling are required and provided online.
- Loans are automatically reported to a national credit bureau and become a part of the student's credit history.
- Monthly repayment commences nine months (grace period) following graduation or withdrawal from the University; the Standard Repayment Plan allows for a repayment period of 10 years. Alternative repayment plans allowing for a longer repayment period are available. Deferment, postponement, or cancellation of repayment may be available for certain conditions.
- No prepayment penalties; however, penalties are assessed for delinquency or default.
- Separate loan documents have to be completed before the loan can disburse. The Financial Aid Office will provide the documents.

WASHINGTON AND LEE UNIVERSITY LOAN

- The student is the borrower.
- Loan funding is provided by Washington and Lee University.
- Eligibility is limited to undergraduate students who have exhausted all other loan options to cover their cost of attendance.
- Fixed interest rate of 6%. While the student is enrolled half-time or more, interest does *not* accrue. Interest begins to accrue after the six month grace period.
- Both Entrance and Exit Counseling are required and provided online.
- Loans are automatically reported to a national credit bureau and become a part of the student's credit history.
- Monthly repayment commences six months (grace period) following graduation or withdrawal from the University; the Standard Repayment Plan allows for a repayment period of 10 years. No prepayment penalties; however, penalties are assessed for delinquency or default.
- Federal regulations require separate loan documents to be completed before the loan can disburse. The Financial Aid Office will provide the documents.