



Federal Direct Student Loan Frequently Asked Questions

What is a loan?

A loan is money you borrow and must pay back with interest. It is sent directly to the school and applied to your bill.

What types of federal student loans are available?

Subsidized for students with demonstrated financial need, as determined by federal regulations. The Department of Education pays the interest on these loans while students are enrolled at least half-time and during grace/deferment periods. Once the loan is in repayment, interest accrues at 2.75%. If a student does not have financial need, they may still borrow the total loan amount based on their year in school as an unsubsidized loan.

Unsubsidized: not based on financial need and interest is charged once the loan is disbursed. Interest will accrue on this loan during the time a student is in school as well as during grace and deferment periods at 2.75%. Federally Independent students or students' whose parents have been denied a Parent PLUS loan may be eligible for an additional unsubsidized amount (up to \$4,000 for Freshman & Sophomores, \$5,000 for Juniors & Seniors).

What is the difference between subsidized and unsubsidized loans?

The **subsidized** loan program is need-based and the federal government pays the interest on the loan while the student is enrolled at least half-time. The amount that may be borrowed is limited to the difference between the student's financial aid budget and all other financial aid received. **Unsubsidized** loans are *not* need-based and may be borrowed for as much as the difference between the federal loan limits listed below and the amount of subsidized Federal Direct Stafford Loan.

How much can I borrow?

The yearly loan limits are as follows:

Year in School	Base Amount (Maximum Subsidized Loan)*	Additional Unsubsidized Loan Amount	Total Maximum Loan Amount
1st year	\$3,500	\$2,000	\$5,500
2nd year	\$4,500	\$2,000	\$6,500
3rd year	\$5,500	\$2,000	\$7,500
4th year	\$5,500	\$2,000	\$7,500

Students whose parent is denied a PLUS Loan are eligible for an additional Federal Direct Unsubsidized Loan, up to \$4,000 for first-year and sophomores and \$5,000 for juniors and seniors. Independent students are eligible to borrow a total Federal Direct Unsubsidized Loan, up to \$6,000 for first-year and sophomores and \$7,000 for juniors and seniors.

What are the loan interest rates and fees?

Fixed Interest Rate	Origination Fee
2.75%	1.059%

*Origination fee will change for loans first disbursed after October 1, 2020.

When do I have to repay my loan?

You will begin repaying your federal student loans six months after you graduate, withdraw from the College, or drop below half-time status.

How do I apply for a loan?

Students who receive financial aid can accept the loan included in their package through their [Accept Awards page](#). Students who do not receive financial aid or who wish to borrow the additional unsubsidized loan can submit a [Federal Student Loan Form](#) found in the MyBarnard Portal. A completed [FAFSA](#) is required to process federal student loans.

Please visit our website for more information: <https://www.barnard.edu/finaid/apply-for-a-loan>