



EXPLORING STUDENT LOAN OPTIONS

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DISCUSSION TOPICS

- What's Up with The Department of Education
- Financial Aid Process
- Funding Options
 - Scholarships
 - Federal Direct Student Loans
 - Federal Direct PLUS Loans
 - Private Student Loans
- Tips and Tricks



WHAT'S UP WITH THE DEPARTMENT OF EDUCATION?

- What is the Department of Education?
- Current Federal Student Loan borrower's
 - How federal loan programs may be impacted
 - Understand your federal student loans
 - Continue to make payments
- Interest Rates for 2025-2026
- Private loans are not impacted



DEPARTMENT OF EDUCATION RECAP

- Rate changes coming out on July 1st
- Keep an eye out for the latest updates by visiting www.ed.gov



FINANCIAL AID PROCESS

FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

Who can apply?

- Dependent students with parents
- Independent students

After you complete the FAFSA:

- Student receives Student Aid Report (SAR)
- School receives Institutional Student Information Record (ISIR)
- School creates financial aid award letter
 - Student compares letters from any/all schools
 - Determine if there is an unmet need
 - Cost of Attendance (COA)
 - Fixed vs. Flexible Costs
 - Compare funding options

Apply or Learn More
studentaid.gov



FINANCIAL AID PROCESS

UNDERSTAND THE UNMET NEED BEFORE APPLYING

Cost of Attendance

- Maximum amount college will cost for one academic year
- Includes tuition, fees, housing, meal plans, and indirect costs

Fixed Costs

- Tuition and fees
- Housing and meal plans – sometimes

Flexible Costs

- Housing and meal plans
- Institutional Insurance
- Books
- Transportation

Appeals/Special Circumstances

Tuition Payment Plans



FINANCIAL AID PROCESS RECAP

- Complete the FAFSA
- Compare Award Letters and Select School
- Consider COA and Fixed vs Flexible Costs
- Determine any Unmet Need
- Borrower Smart – Consider all Funding Options



FUNDING OPTIONS

FREE MONEY: SCHOLARSHIPS

- High school guidance counselor
- Colleges
- County, city and state
- Employers
- Extra-curricular – clubs, sports, volunteer work, organizations,
 - Community and charity work
- [Fastweb](#)
- [CollegeBoard](#)
- The Ultimate Scholarship book



Tips

- Get in the mindset: TEE – time, energy, effort
- Start early
- Collect letters of recommendation
- Follow instructions
- Apply for many scholarships – big and small

FUNDING OPTIONS

FEDERAL DIRECT STUDENT LOANS

Federal Direct Loan Program

- Administered by The Department of Education (ED)
- Undergraduate and graduate students
- Free Application for Federal Student Aid (FAFSA) **required**
- 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 separation from school
- 10-year repayment term with additional repayment options

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Benefits

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

FUNDING OPTIONS

FEDERAL DIRECT STUDENT LOANS: ANNUAL LIMITS, RATES, FEES

Undergraduate

- **Annual Limit**
 - Freshman \$5,500
 - Sophomore \$6,500
 - Junior and senior \$7,500
- **Fixed Interest Rate**
 - 6.53%*
- **Origination Fee**
 - 1.057%**

*First Disbursement between July 1, 2024 and June 30, 2025

**First Disbursement between October 1, 2024 and September 30, 2025

Graduate

- **Annual Limit**
 - \$20,500
- **Fixed Interest Rate**
 - 6.53%*
- **Origination Fee**
 - 1.057%**



Important

Interest rates on federal loans are fixed, but each year's new loans have a new fixed rate. Interest rates on new federal education loans reset each July 1.

FUNDING OPTIONS

FEDERAL DIRECT PLUS LOANS

Federal Direct Parent/Graduate PLUS Loan Program

- Administered by The Department of Education
- Free Application for Federal Student Aid (FAFSA) required
- Parent of the undergraduate student or the graduate student
- Unsubsidized
- Repayment
- In-school repayment
 - Full deferral – interest-only payments – immediate repayments
 - Repayment begins six months after separation from school
- 10-year standard repayment term with additional options

Make sure you understand the details. Don't forget to complete the Student Loan Entrance Counseling Requirement and Annual Student Loan Acknowledgement.

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studentaid.gov

Benefits

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

FUNDING OPTIONS

FEDERAL DIRECT PLUS LOANS: ANNUAL LIMITS, RATES, FEES

- **Annual Limit**
 - Cost of attendance minus financial aid
- **Fixed Interest Rate**
 - Graduate PLUS: 8.08%*
 - Parent PLUS: 9.08%*
- **Origination Fee**
 - 4.228%**

**First Disbursement between July 1, 2024 and June 30, 2025*

***First Disbursement between October 1, 2024 and September 30, 2025*



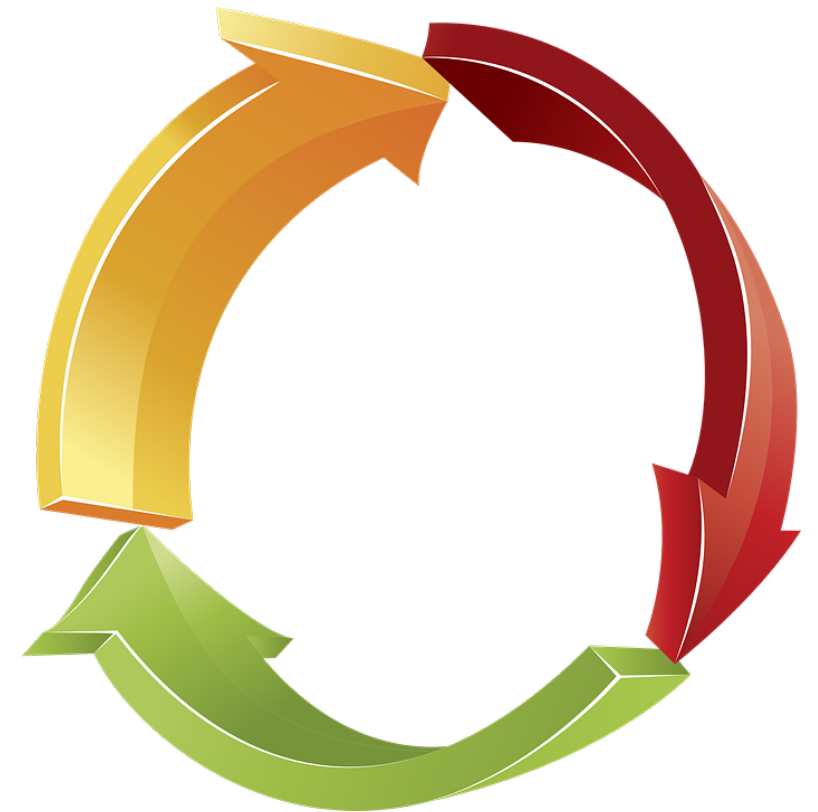
Important

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FUNDING OPTIONS

FEDERAL STUDENT LOANS: APPLICATION TIMELINE

- 1. Complete the FAFSA**
 - Follow-up with school if selected for FAFSA verification
- 2. School will package financial aid awards (student loans)**
- 3. Follow schools process for federal student loans**
 - Federal direct undergraduate and graduate – accept or decline if necessary
 - Parent/Graduate PLUS – complete loan request form if necessary
- 4. studentaid.gov**
 - Borrowers will need FSA ID and password to log in
 - First time federal loan borrowers will complete entrance counseling and acknowledgement
 - Borrower will complete master promissory note (MPN)
- 5. Loan is certified by school and disbursement dates set**
 - Students may log into school account to view this information
- 6. Loan funds disbursed to school**
 - Refunds – set up direct deposit or refund will be mailed
 - Allow 3 – 4 business days for school to process disbursement and send refund



FUNDING OPTIONS

PRIVATE STUDENT LOANS

Fill the funding gap when scholarships, grants, and federal loans aren't enough.

- Borrower selects lender
- Student's loan and may require a co-signer
- Free Application for Federal Student Aid (FAFSA) is recommended but not required
- Fixed and variable interest rates
- Unsubsidized
- Annual limit: cost of attendance minus financial aid
- Full deferral of payment until six months after graduation, student drops below half-time status or separates from school
- Repayment term determined by lender: 15 - 25 years
- Benefits determined by lender
- Refinance options



FUNDING OPTIONS

PRIVATE STUDENT LOANS: CHOOSING A LENDER

What to Ask:

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

Apply or Learn More
studentchoice.org

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.

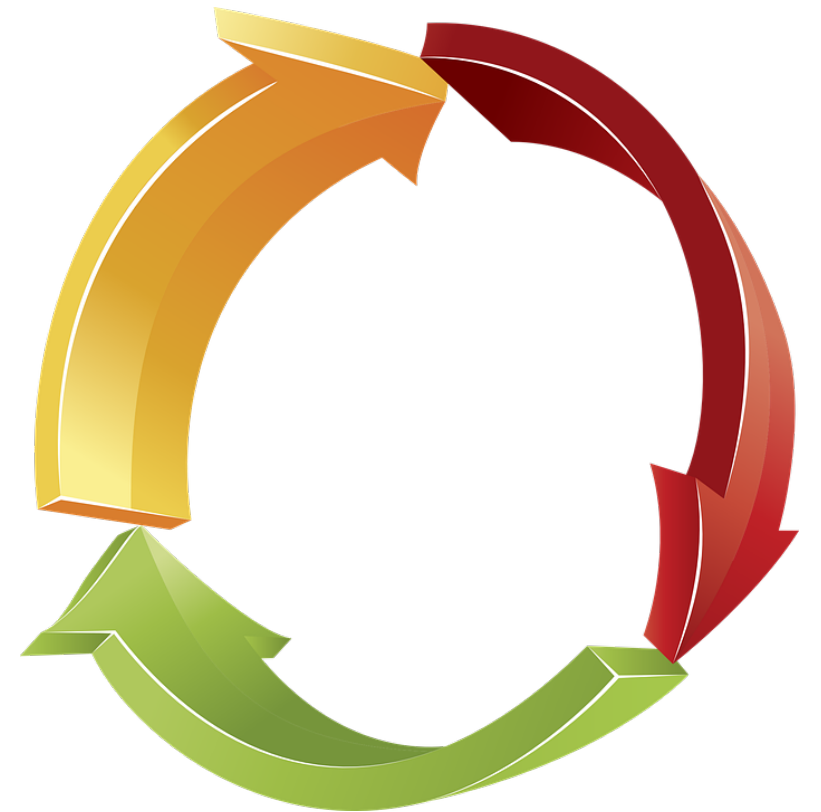
When you choose your credit union, you'll enjoy:

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

FUNDING OPTIONS

PRIVATE STUDENT LOANS: APPLICATION TIMELINE

- 1. Complete the FAFSA**
 - Not required – only recommended
- 2. Select a private student loan lender**
 - 1 – 2 business days
- 3. Complete the lenders online loan application**
 - If approved, follow lenders application process
 - Send required supporting documents
 - 2 – 16 business days
- 4. Certification process**
 - When application is final approved, lender sends certification request to school
 - School reviews certification request, certifies and sends disbursement dates to lender
 - 17 – 31 business days (depends on each individual school)
- 5. Loan funds disbursed to school**
 - Refunds – set up direct deposit or refund will be mailed
 - Allow 3 – 4 business days for school to process disbursement and send refund



FUNDING OPTIONS RECAP

- Free Money FIRST – Scholarships
- Federal Direct Student Loans
 - *For student borrowers*
- Federal Direct PLUS Loans
 - *For parents of students or graduate students*
- Private Student Loans
 - *Choose the right lender*



TIPS AND TRICKS

Know Your School Resources

- Attend Orientation
- Financial Aid Office
- Bursar's Office

Borrow Smart

- Compare Awards
- Cost of Attendance
- Fixed vs. Flexible Costs
- Loan Terms

News Alert - Communication

- Dept. of Education
- Schools
- Lenders/Loan Servicers

Financial Aid Process

- Be Mindful of Deadlines
- FAFSA – Renew Each Year
- Loan Applications
- Understand Schools Process

Miscellaneous

- Is Payment Due Before Loan is Funded?
- Refunds – Direct Deposit or Checks

Apply Early

June

THANK YOU FOR ATTENDING!

Tricia Poplicean

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- Student Choice

Please contact us with any additional questions:

- scholarhelp@studentchoice.org