

The Federal Family Education Loan Program (FFELP) is comprised of three programs: Federal Stafford loans (both subsidized and unsubsidized), Federal PLUS loans (for parents of dependent students), Graduate PLUS loans (for graduate and professional students), and Federal Consolidation loans. Eligibility for subsidized Stafford loans is need-based and requires the determination of Pell Grant eligibility. In contrast, eligibility for the unsubsidized Stafford and PLUS Loan Programs is not based upon financial need. These low-interest educational loans are made to qualified students or their parents, as well as graduate and professional students.

The federal government pays the interest on subsidized Stafford loans while the student is in school (on at least a half-time basis), during the student's grace period and during authorized deferment periods. Payment of interest on an unsubsidized Stafford loan, however, is the responsibility of the student. Interest accrual for an unsubsidized loan begins on the date of disbursement. The interest rate for academic year 2008-09 on Federal Stafford subsidized loans is fixed at 6 percent. and the rate on unsubsidized undergraduate and all graduate loans is fixed at 6.8 percent. Interest for both subsidized and unsubsidized variable rate loans adjust annually on July 1. The unsubsidized Stafford loan allows students to borrow the difference between their subsidized Stafford loan amount and the maximum Stafford loan amount, regardless of financial need. Independent students may qualify for additional unsubsidized loan amounts. The annual and aggregate maximum loan amounts for the Federal Stafford Loan Programs are:

<b>DEPENDENT UNDERGRADUATE STUDENTS</b>		<b>INDEPENDENT UNDERGRADUATE STUDENTS</b>	
<b>Academic Level</b>	<b>Annual Total (Combined Subsidized &amp; Unsubsidized)</b>	<b>Academic Level</b>	<b>Annual Total (Combined Subsidized &amp; Unsubsidized)</b>
Freshman	\$5,500 (up to \$3,500 may be subsidized)	Freshman	\$9,500 (up to \$3,500 may be subsidized)
Sophomore	\$6,500 (up to \$4,500 may be subsidized)	Sophomore	\$10,500 (up to \$4,500 may be subsidized)
Junior	\$7,500 (up to \$5,500 may be subsidized)	Junior	\$12,500 (up to \$5,500 may be subsidized)
Senior	\$7,500 (up to \$5,500 may be subsidized)	Senior	\$12,500 (up to \$5,500 may be subsidized)
Subsequent Undergrad. Levels	\$7,500 (up to \$5,500 may be subsidized)	Subsequent Undergrad. Levels	\$12,500 (up to \$5,500 may be subsidized)
<b>GRADUATE STUDENTS</b>		<b>FEDERAL STAFFORD LOAN AGGREGATE MAXIMUM</b>	
<b>Annual Total (Combined Subsidized &amp; Unsubsidized)</b>		<b>Undergraduate Student Status</b>	<b>Aggregate Maximum</b>
		Dependent	\$31,000
		Independent	\$57,500 (up to \$23,000 may be subsidized)
\$20,500 (up to \$8,500 may be subsidized)		<b>Graduate (Includes Undergrad Borrowing)</b> Independent	\$138,500 (up to \$65,500 may be subsidized)

## **PART THREE -- FEDERAL FAMILY EDUCATION LOAN PROGRAM**

(continued)

The Federal PLUS Loan Program provides loans to parents or legal guardians of dependent students. For a parent to qualify, the student must be enrolled at least on a half-time basis at an approved postsecondary institution. This program is not need-based, but eligibility for PLUS requires the prior determination of students' Pell Grant and subsidized Stafford loan eligibility by some schools. Parent borrowers are required to undergo a credit check and can borrow up to the cost of attendance minus estimated financial assistance that has been or will be awarded to the student for the period of enrollment. There is no academic level, annual or cumulative PLUS loan limit. The current Federal PLUS loan interest rate is fixed at 8.5 percent. Loans disbursed prior to July 1, 2006 have a variable interest rate, adjusted annually on July 1, with a maximum of 9 percent. The current variable rate is 5.01 percent. Repayment of principal and interest begins within 60 days after the funds are fully disbursed. As a graduate or professional student, effective for loans certified on or after July 1, 2006, students may be able to borrow money with low interest for college through the PLUS Graduate/Professional Loan Program. Graduate or professional students who wish to take advantage of this program do not need to demonstrate financial need but must meet the same eligibility criteria as those required for the unsubsidized Federal Stafford Loan. Borrowers must be a U.S. citizen or eligible citizen, complete a FAFSA and credit check and not be in default on an educational loan or owe repayment on a federal or state grant. Repayment of principal and interest begins within 60 days after the funds are disbursed, although borrowers may defer the payment of principal under certain circumstances.

ISAC's Federal Consolidation Loan Program is unILoan. Loan consolidation combines various educational loans into one manageable loan, allowing borrowers to make only one monthly payment. unILoan also allows a borrower to extend the repayment terms on their loans up to 30 years. In addition, loans eligible for consolidation include: a) loans delinquent more than 90 days, but not in default; and, b) defaulted loans for which the holder has certified that satisfactory repayment arrangements have been made. Eligibility to consolidate educational loans requires that an application for loan consolidation is not pending with another lender (or guarantor).

This section reports Federal Stafford and PLUS guaranteed loan volume (Table 3.0), guaranteed loan volume by individual program (Tables 3.0a - 3.0d), consolidation guarantee volume (3.0e), net guarantees by school type (Table 3.1), Stafford and PLUS loan borrower characteristics (Tables 3.2a - 3.2c), and cumulative loan data (Table 3.3).