2016-2017 FEDERAL STUDENT AND PARENT LOANS
INTEREST RATES AND REPAYMENT TERMS

The basis of a financing plan often includes federal loans. Programs include the Federal Subsidized Stafford Loan, Federal Unsubsidized Stafford Loan, and the Federal Parent Loan for Undergraduate Students (PLUS). The amount indicated on your award letter is the maximum amount you may borrow. You may borrow any amount up to this maximum. If you would like to borrow less than the amount awarded to you, clearly indicate the amount you wish to borrow on the award notice and initial the change. Your loan will be processed in that amount. Interest rates and fees are finalized each year and announced by the federal government in June.

FEDERAL SUBSIDIZED STAFFORD LOAN
Federal Subsidized Stafford Loans are federally subsidized, need-based, deferred interest loans. Full-time, first year students may borrow up to $3,500, Sophomores up to $4,500, Juniors/Seniors up to $5,500 each academic year. The total undergraduate maximum is $23,000. Interest rates are currently fixed at 4.29% for undergraduate. There is a 1.068% origination fee. The origination fees are deducted from the amount borrowed before the funds arrive at MICA. Interest on this loan accrues from the last date of attendance. Repayment does not begin until 6 months after you are no longer enrolled or drop below half-time. This program is need-based and requires filing the Free Application for Federal Student Aid (FAFSA), supporting documents as requested, the Federal Stafford Loan Master Promissory Note, and an Entrance Counseling/Exit Counseling.

FEDERAL UNSUBSIDIZED STAFFORD LOAN FOR DEPENDENT UNDERGRADUATES
The Federal Unsubsidized Stafford Loans are not based on need. A borrower may have a Subsidized and an Unsubsidized Staffor Loan. Undergraduate students are eligible to borrow a total of $2000 Unsubsidized Stafford loan each academic year. Interest rates are currently fixed at 4.29% with a 1.068% origination fees. The origination fees are deducted from the amount borrowed before the funds arrive at MICA. Interest on this loan accrues from the date of disbursement. The undergraduate subsidized and unsubsidized maximum is $31,000 (no more than $23,000 of this amount may be in subsidized loans). The student has the option to pay interest accrued during in-school and deferment periods. Interest payment can be made monthly, quarterly, or capitalized and added to the loan principal. Repayment of the principal begins 6 months after the student is no longer enrolled or drops below half-time. This program requires filing the Free Application for Federal Student Aid (FAFSA), supporting documents as requested, the Federal Stafford Loan Master Promissory Note, and an Entrance Counseling/Exit Counseling.

FEDERAL UAVSUBSIDIZED STAFFORD LOANS FOR INDEPENDENT AND STUDENTS
The Federal Unsubsidized Stafford Loans for Independent Undergraduate are federally insured student loans not based on need. Freshmen and Sophomores may borrow a maximum of $6,000 per year; Juniors and Seniors may borrow a maximum of $7,000 per year. Independent students may borrow under both the Federal Subsidized Stafford program and the Federal Unsubsidized Stafford Loan program. The undergraduate maximum is $57,500 (subsidized and unsubsidized with subsidized limited to $23,000). Interest rate is currently fixed at 4.29%. Repayment terms and fees are the same as those listed above. This program requires filing the Free Application for Federal Student Aid (FAFSA), supporting documents as requested, the Federal Stafford Loan Master Promissory Note, and an Entrance Counseling/Exit Counseling.

FEDERAL PARENT LOANS FOR UNDERGRADUATE STUDENT (PLUS)
Federal PLUS Loans allow parents or graduate students to borrow funds to meet college costs. Parents must be credit worthy to receive this loan. PLUS maximums are set at Cost of Education minus Aid received. The current interest rate is fixed at 6.84%. There is a 4.272% origination fee. IMPORTANT: The origination fees are deducted from the amount you borrow before the funds arrive at MICA. Please take this into consideration if you are trying to borrow an exact amount to cover charges. Repayment begins 60 days after the last disbursement of the loan with up to ten years to repay. Other repayment plans are available. Interest and principal may be deferred in some circumstances. A credit analysis is required. Approval is based solely on good credit – income and personal debt are not factors in determining loan approval. If a parent of a dependent undergraduate student is denied a PLUS loan, the student may be eligible for an additional Unsubsidized Stafford Loan (Freshman/Sophomores $4000, Juniors/Seniors $5000). The parent may also obtain a credit worthy co-signer.

FEDERAL PERKINS LOAN
The Federal Perkins Loan is a federally sponsored campus-based loan program. The Student Accounts Office at MICA administers this loan. The interest rate is fixed at 5% and there are no fees. Interest does not accrue until repayment begins 9 months after you are no longer enrolled or drop below half-time. New and first time borrowers must complete an on-line application, loan entrance interview, master promissory note, and total loan indebtedness disclosure. Returning students are only required to complete a total loan indebtedness disclosure. Please note that under the Federal Perkins Loan Program Extension Act of 2015, undergraduate students who demonstrate need-based eligibility for the Perkins Loan can continue to receive these loans through the 2017/2018 academic year. No further loans can be made after this time.