### Federal Stafford Loan Program

**What Are Stafford Loans?**
Stafford Loans are lower interest rate loans provided by the federal government to assist students and families with the costs of education. The government guarantees Stafford loans, so no co-signer or credit check is necessary. The amounts that can be received for both subsidized and unsubsidized loans are set by the government based on the student's grade level and financial need. The amounts listed on your Financial Aid Notification letter reflect your specific eligibility.

**Who Is Eligible?**
All CCS students who:
- **Subsidized Federal Stafford Loan:**
  1. have completed the Free Application for Federal Student Aid (FAFSA) process,
  2. still have financial need after scholarships and grants are awarded, and
  3. are enrolled for 6.0 credits or more.

- **Unsubsidized Federal Stafford Loan:**
  1. have completed the Free Application for Federal Student Aid (FAFSA) process,
  2. do not have financial need after scholarships and grants are awarded, and
  3. are enrolled for 6.0 credits or more, or
  4. whose parent has been denied a Federal Plus loan.

**Do I Need A Co-Signer?**
No — Stafford loans are guaranteed by the federal government, so no co-signer or credit check is necessary to receive them. You simply need to meet the criteria listed above, and complete the steps listed on the following page.

**What Is Subsidized and Unsubsidized?**
With subsidized, the government pays the interest on the loan while the student is in school, for 6 months after they leave school or drop below half-time status, and during other deferment periods.

With unsubsidized, interest begins to accrue as soon as the loan is disbursed. The student can choose to pay the interest while in school, or wait until after they have left school. Accumulated interest will capitalize, so it is recommended that students pay some or all of the interest while in school.

**How Much May I Borrow Yearly?**
Stafford loan eligibility is based on grade level. Grade level is determined by the number of credits completed and/or transferred to CCS:
- Freshman (0.0 – 29.5 credits) $5,500 – max of $3,500 subsidized
- Sophomore (30.0 – 65.5 credits) $6,500 – max of $4,500 subsidized
- Junior & Senior (more than 66.0 credits) $7,500 each year – max of $5,500 subsidized

Independent students and dependent students whose parents have been denied a PLUS loan may borrow an additional $4,000 (Freshman and Sophomore levels), or $5,000 (Junior and Senior levels) of unsubsidized loan.

These are the maximums you may borrow. You are encouraged to borrow less whenever possible!

**Is There a Limit on the Total Amount I Can Borrow?**
- $31,000 for dependent undergraduate students.
- $57,500 for independent undergraduates and dependent undergraduates whose parents do not qualify for PLUS Loans. No more than $23,000 may be in subsidized loans.

**Are There Any Special Considerations for Part-Time Students?**
If you are attending on a part-time basis (6.0 to 11.5 credits), you are strongly encouraged to borrow only what you need for tuition and fees, even if you are eligible for more. If you borrow the maximum every year and continue at part-time enrollment you will reach the aggregate maximum you can borrow by junior year and will be unable to continue.

If you would like an estimate of your charges and aid at part-time enrollment, please contact the Financial Aid Office (313.664.7495 or finaid@collegeforcreativestudies.edu). Students must be attending at least half-time (6 credits) to be eligible for Stafford Loans.

For Information: 313.664.7495 or finaid@collegeforcreativestudies.edu
### Federal Stafford Loan Program Continued

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<tr>
<th>IS CCS A FFELP OR DIRECT LOAN SCHOOL?</th>
<th>The federal government has two Stafford loan programs, the Federal Family Education Loan (FFEL) program and the Direct Loan program. Though both are federal programs, FFEL utilizes funds from private bank lenders, while Direct Loan utilizes government funds. Both programs have the same interest rates and applicable fees. CCS participates in the Direct Loan program. Students are not eligible for loans through FFEL lenders at CCS, even if they participated in this program at another school.</th>
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| WHAT IS THE INTEREST RATE, AND WHO PAYS THE INTEREST? | **Subsidized Federal Stafford Loan**  
Fixed rate of 5.6%.  
The Federal government pays the interest while the student is enrolled for at least six credits and for the six-month grace period after leaving school.  
**Unsubsidized Federal Stafford Loan**  
Fixed rate of 6.8%.  
The student is responsible for paying the interest. It may be paid monthly or annually while in school, or it may be capitalized — added to the principal when repayment begins. |
| ARE THERE ANY FEES? | Direct Stafford Loans have a 1.5% origination fee charged. However, the federal government also offers an up-front interest rebate of 1.0% on their Stafford loans, so only .5% is actually deducted from the loan before it is disbursed.  
In order to keep the up-front rebate, students must make their first 12 required monthly payments (meaning the student has left school or dropped below half time and exhausted their 6-month grace period) on-time, not counting approved periods of deferment and forbearance. If the first twelve required payments are not made on time, the 1% rebate amount is added back into the principal balance. |
| WHEN DOES REPAYMENT BEGIN? | Six months after students leave school or drop below half-time enrollment (less than 6 credits). Students with unsubsidized loans may want to consider making payments on the accumulating interest while they are still in school. |
2. Visit [https://dlenote.ed.gov](https://dlenote.ed.gov) and complete the Direct Loan Master Promissory Note (MPN) for Student Loans. The MPN details the terms of the Stafford Loan and the responsibilities of the borrower. It is a contract with the federal government and signing it is a pledge to repay all the Stafford loans disbursed to you during your education.  
3. Visit [https://www.dl.ed.gov/borrower](https://www.dl.ed.gov/borrower) to complete Loan Entrance Counseling. Entrance counseling is required by the federal government before students can receive their Stafford Loan disbursements. This important step will explain your rights and responsibilities when you enter repayment and provide assistance toward financial planning.  
| HOW IS THE STAFFORD LOAN DISBURSED? | Stafford Loan funds are disbursed directly to CCS, generally through an electronic funds transfer. Unless otherwise specified on your Financial Aid Award letter, they are disbursed in two equal payments, one for each semester.  
Loan funds must first be used toward the balance owed at CCS. If funds remain after the balance is paid, a refund check will be issued for the excess by the CCS Business Services Office. These funds should be used only for valid educational expenses, such as books & supplies, rent, food and transportation.  
First time borrowers must wait 30 days from the beginning of the semester before their loans may be applied to their accounts. Therefore, for the first semester, refund checks are not available until roughly 5 weeks in to the semester. First-time students will need to make other arrangements to cover expenses until their funds arrive. |