Jefferson Medical College
Entrance Interview Requirement

Dear Student:

If you are borrowing or plan to borrow any type of student loan, you are required to complete a federal Entrance Interview. A federal Entrance Interview must be completed before your federal financial aid may be disbursed.

The TJU Entrance Interview is an online counseling session. The federal government requires all new students and/or new borrowers to complete this process. The purpose of the Entrance Interview is to provide you with all the pertinent information about the loans you may borrow and to ensure full understanding of your rights and responsibilities as a borrower.

The Entrance Interview is conducted as an interactive online process located on the Federal Direct Student Loan Web page. Before entering the online Entrance Interview, please read through the enclosed materials the Financial Aid Office has put together for this purpose. The Entrance Interview Bulletin covers many valuable financial aid topics, which may assist you in completing the Entrance Interview. The Entrance Interview is in quiz format. The Entrance Interview is not considered complete until you have successfully completed the full Entrance Interview quiz.

To complete the Entrance Interview:

1. Review the enclosed materials.
2. Go to: http://StudentLoans.gov
3. Under the menu "Manage My Direct Loan", click Sign In and complete login with your confidential information and federal PIN. Then click Entrance Counseling.
4. Follow the steps and select Thomas Jefferson University when school name is requested.
5. Successfully complete the Entrance Quiz. This process may take up to 30 minutes, so allow for extra time.

The University Office of Financial Aid will receive a daily listing within five days of completion confirming the students who have completed this requirement.

Please note that the Entrance Interview requirement must be completed before July 15.

Please contact the Financial Aid Office at (215) 955-2867 or at financial.aid@jefferson.edu if you have any questions on this process or have general financial aid questions.

Thank you for your cooperation in meeting this federal requirement.

Sincerely,

Susan McFadden
University Director of Financial Aid

Jefferson Medical College

JMC Entrance Interview Information

Bulletin

For use for the 2011-2012 year and after

Contents

This bulletin has been published for use with the Entrance Interview. This bulletin will provide pertinent information in regard to loan parameters and important issues related to the financial aid process.

University Office of Student Financial Aid
Room G-1, College Building
1025 Walnut Street
Philadelphia, PA 19107

Hours: Monday, Tuesday, Thursday, Friday, 8:30 a.m. 5:00 p.m.
Wednesday, 8:30 a.m.-Noon
Phone: (215) 955-2867
email: financial.aid@jefferson.edu
Web site: http://www.jefferson.edu/financialaid/

Susan McFadden
University Director

What is an Entrance Interview?

An Entrance Interview is a federally mandated counseling session required of all students applying for any type of federal or institutional loan. These loan types include institutional loan programs, the Federal Perkins, PCL, LDS, Federal Direct Stafford, Federal Grad PLUS, and/or alternative loan programs. If you plan to borrow any of these loans, you are required to complete an Entrance Interview at the beginning of the corresponding loan period. The purpose of the Entrance Interview is to advise you of your rights and obligations under each program; as well as advise you of important issues related to your annual and aggregate borrowing decisions. This requirement must be fulfilled even if you have completed an Entrance Interview at a prior school.

For those who are required to complete an Entrance Interview, Federal Direct Stafford Loan funds may not be disbursed until this requirement has been completed.

Loan Application Deadlines

Please note that if Federal Direct Stafford, Federal Grad PLUS, and/or alternative loan funds are not received by Jefferson at the time of registration, students may be allowed to defer payment of their tuition based upon the pending application. However, to avoid late fees on the unpaid balance, students must submit the completed Federal Direct Stafford, and/or alternative loan application material on or before June 15.

Federal Direct Stafford Loan Application Process

All students applying for Federal Direct Stafford Loan funds are required to complete both:

- The Federal Direct Stafford application – This application can be completed using the online on Banner Web or paper application (this is where the stu dent indicates the amount they wish to borrow); and

- A separate Master Promissory Note (MPN), (the form the student signs acknowledging the responsibility to repay the debt). The MPN must be completed online at http://StudentLoans.gov.

Under the MPN process, all borrowers will be required to sign a promissory note for the first year only. The same MPN will be used for requesting loan funds in future years.

To apply for Federal Direct Stafford Loan funds, returning students will be required to complete the general application requirements, for the specific college in which they are enrolled at Thomas Jefferson University, including the Federal Direct Stafford Loan application section.

Department of Education Sole Federal Stafford Loan Lenders

With the passage of the Student Loan Reform bill, effective July 1, 2010, all Federal Stafford, Graduate PLUS, and Parent PLUS lending have transitioned to the William D. Ford Federal Direct Lending Program (otherwise known as "Direct Lending" or "Direct Loans".) Unlike the prior lending structure, which involved numerous banking entities, under Direct Lending, the sole lender is the Department of Education.

Direct Lending provides you the following benefits:

- Eliminates the uncertainty of which lenders will continue to provide student loans.
- Eliminates the need for reprocessing loans when lenders leave federal lending.
- Provides one lender and one payment for new borrowers.
- Provides ease of consolidating federal loans.
- Provides a lower interest on the Federal Grad PLUS (7.9% instead of 8.5%).
- Allows eligible students to participate in the Public Service Loan Forgiveness Program.

To complete the Direct Lending Master Promissory Note (MPN), proceed as follows:

- Go to http://StudentLoans.gov
- Under "Manage My Direct Loan" menu box, click Sign In and complete login with your confidential information and federal PIN.Then click Complete Master Promissory Note.
- Follow the steps given and select Thomas Jefferson University when school name is requested.

No More Direct Subsidized Stafford Loans for Graduate Students

On August 2, 2011, President Obama signed into law the Budget Control Act of 2011, which included provisions that affect the Federal Direct Student Loan program for all Graduate Students. Effective July 1, 2012 for the 2012-2013 academic year, the in-school interest subsidy will be eliminated on Federal Direct Stafford Loans for Graduate and Professional students. This will affect loans borrowed for the 2012-2013 academic year, but will not affect federal direct funds borrowed previously. The annual maximum amount (of what was previously subsidized and unsubsidized) does not change, but interest will now accrue on the entire loan disbursement. Previously, the $8,500 borrowed in Federal Direct Subsidized Stafford Loan had interest paid by the government while in-school and during the six month grace period. It is this subsidy that has been eliminated. As is currently the policy, students have the option of paying this interest while in school or deferring until repayment.

Annual Maximums (beginning 2012-2013)

Federal Subsidized Stafford Loans: $0

Federal Unsubsidized Stafford:

First Year	$44,944	Second Year	$44,944
Third Year	$47,166	Fourth Year	$44,944

Loan Alternatives After the Federal Direct Stafford Loan

The Federal Direct Stafford Loan must be borrowed before considering a credit-based, non-need based private alternative loan. Students are reminded that alternative (unsubsidized) loan funds represent higher cost programs, and should be accessed only as a last resort. All other options, including securing a loan from parents, should be considered before borrowing from these programs. Private loans have a variable interest rate with no ceiling. Private loans are not cancelled upon death or permanent disability. A listing of suggested lenders can be found on our Web page under "Financial Aid Programs."

Federal Grad PLUS

Under the credit-based non-need based Grad PLUS loan program, the student is the borrower. Grad PLUS loans are federal, non-need credit based and have a fixed interest rate of 7.9%. Unlike the Federal Perkins Loan, the interest is not subsidized and accrues starting at the date of disbursement. The Grad PLUS charges up to 4% in origination fees, deducted from each disbursement. Other features of the Grad PLUS include a repayment period of up to 25 years, deferment privileges and cancellation upon

death/permanent disability. Loan eligibility is calculated as the cost of education (as established by the Financial Aid Officer) less all other financial aid received. All other options, including securing a loan from parents, should be considered before borrowing from these programs. To apply for the Grad PLUS, you must go to http://StudentLoans.gov.

Creditworthiness Determination

Lenders administering alternative loan programs must determine the applicant to be creditworthy prior to the loan application being approved. Loan applications may be denied by your lender if you have one or more unresolved credit problems. Consumers can request and receive a free credit report at **http: www.annualcreditreport.com**. If you have questions regarding your credit report please contact one of the credit agencies below:

Equifax 800-997-2493 (www.equifax.com)
Experian 888-397-3742 (www.experian.com)
Trans Union 800-916-8800 (www.transunion.com)

Default/Delinquent Status

To be eligible for any federal, state, and/or institutional loan funds, students cannot be in default on any prior educational loans. If a student demonstrates financial need, but is ineligible for federal grants or loans due to default on a prior educational loan (and/or a negative credit rating), Jefferson Medical College of Thomas Jefferson University will not commit institutional funds to remedy the default status or to compensate for the ineligibility for federal or private loan funds. It is the student's responsibility to resolve all problems involving loan delinquencies, defaults, and/or any other circumstances that would result in the student being ineligible to borrow through any federal loan programs.

3-Day/10-Day Rule for Returning Loan Funds

Per federal regulations, schools must disburse to your tuition account your federal subsidized and unsubsidized electronically received loan funds no later than three days after receipt. If EFT funds are not disbursed within three days, these funds must be returned to the Direct Loan Program. As long as the student retains eligibility for these funds, Direct Loans is required to reissue the returned funds.

With this in mind, it is important that you complete your Entrance Interview and complete any applicable verification requirements within 10 days of notification.

Indebtedness Terms

Accrued Interest: Interest that is allowed to accumulate and becomes payable in installments when the principal is due.

Balloon Payment: Payment on a loan which starts at one level and gets increasingly larger as outlined in signed contract or promissory note.

Bankruptcy: A person who, being unable to meet his or her financial obligations, has been declared by a decree of the court to be bankrupt and whose property becomes liable to administration under the Federal Bankruptcy Law.

Borrower: Any "legal entity" who obtains funds from the lender by the extension of credit for a period of time for consideration. The borrower signs a note as evidence of the indebtedness.

Compounded Interest: Frequency with which the interest is computed and added to the principal to arrive at a new actual balance.

Default: Failure to meet financial obligations on maturity of notes or contractual agreements. Defaults are recorded on an individual's permanent credit record and that individual is subject to lawsuit.

Deferment: Postponement of loan repayment for designated periods of time. Borrowers are responsible for formally requesting a deferment, filing the appropriate forms annually, and obtaining the approval of the lender.

Deferred Interest: The extension of interest payments while the borrower is not gainfully employed until such time that the borrower becomes a wage earner. This benefit is generally characteristic of federal or state guaranteed student loans.

Disclosure Statement: A written explanation of the "bottom line" cost of a loan including interest charges, origination fees, and any other finance charges incurred by the borrower.

Educational Expenses: Include tuition and fees, books and supplies, food, room or housing, transportation, clothing, medical and dental expenses. Educational expenses do not include costs incurred for marriages, honeymoons, divorces, vacations, and expenses not directly related to or necessary for the successful completion of the degree program.

Fixed Interest: Interest which does not change during the term of the loan.

Forbearance: The temporary cessation of principal payments or the reduction of payments granted by the lender due to financial hardship. Interest accrues during the forbearance period.

Grace Period: The reasonable length of time allowed by programmatic specification without suffering a loss or penalty for postponed payment of loans.

Interest: The price paid for the borrowed use of money. Interest is computed on a percentum rate of the principal borrowed for a given period of time. Interest is "rent" paid to the lender.

Legal Rate of Interest: The maximum rate of interest (depending on the kind of transaction) that is permitted by the laws of the state having jurisdiction over the legality of a transaction. Interest in excess of this legal rate is termed "usury".

Loan Consolidation: The option for a borrower to combine various loans into a single loan with a more manageable repayment schedule.

Maturity Date: The date upon which a promissory note becomes due and payable.

Origination Fee: The amount charged by the lender for processing a loan. This fee is deducted automatically from the principal.

Payout Note: Conversion of the Interim Note or Notes to payout status. At this point the borrower begins to repay the principal with interest on the loan. The repayment schedule is negotiated prior to the issuance of the Payout Note.

Principal: The face value of the loan. It is upon the principal amount that interest may be charged.

Promissory Note: A negotiable instrument which is evidence of a debt contracted by a borrower from a creditor known as a lender of funds. If the instrument does not have all the qualities of a negotiable instrument, it cannot be legally transferred from one person to another. Information given on a promissory note includes: amount of loan; interest rate of the loan; notice of responsibility for collection costs; repayment terms; deferment, and cancellation provisions.

Recordation: All loans and contracts are recorded locally or federally as standing legal obligations until terminated.

Simple Interest: Interest which changes periodically due to dependency on financial indicators, i.e., Treasury bills.

Subsidized: Interest does not accrue to borrower.

Unsubsidized: Interest accrues to borrower's account.

Loan Facts
Comparative Information on Selected Federal and Private Loans
(Parameters specified in this chart are subject to change)

Loan Program	Annual Maximum	Total Aggregate Maximum	Interest Rate	Federally Subsidized while enrolled	Interest Unsubsidized & accrues starting at disbursement	Grace period & deferment	Maximum years repayment
Federal Perkins	$8,000	$60,000	5% (2)	Yes	No	9 mos. + forbearance (1) + 6 months	10
PCL (requires commitment to practice in primary care)	Tuition + $2,500 (contingent on availability of funds)	Variable	5% (2)	Yes	No	12 months + 3 yr residency	10
LDS	Same as PCL	Variable	5% (2)	Yes	No	12 months + residency	10
JMC*	Variable	Variable	5% (2)		No	12 months	10
PMS	Variable	Variable	Variable (3)		Yes	Up to 5 years	10
Federal Subsidized Stafford **(Not available for the 2012-2013 year)**	$8,500	$65,500	Fixed (6.8%)	Yes	No	6 months (3)	10
Federal Unsubsidized Stafford	$36,444/11-month enrollment ($44,944 for amounts borrowed after 7/1/12)	$224,000 (incl. total amount borrowed in Federal Subsidized Stafford funds)	Fixed (6.8%)	No	Yes	6 months (3)	10
Graduate PLUS Loan	None (cost minus other financial aid not to exceed student budget)	None	8.5%	No	Yes	None (4)	30
Chase Select Private Loan	None (cost minus all other financial aid not to exceed student budget)	$250,000	3 month LIBOR +3.25% to 9.5%	No	Yes	12 month grace period & 4 yr. residency	20
Citi Assist/ Discover Private Loan	None (cost minus all other financial aid not to exceed student budget)	$200,000	Prime rate +0% to 6.25%	No	Yes	Maximum 5 years residency	25

(1) Residency deferment privileges are not available for Federal Perkins loans for which the first disbursement is made on or after 7-1-93. Postponement of payment may be available via forbearance in which payment of principal is postponed, but interest will accrue.
(2) 0% interest until repayment.
(3) 91 day T-Bill plus 2.5%, not to exceed 6%. Accrued school interest will not capitalize until repayment.

* Parameters listed for JMC loans apply to all JMC loans except Mabel S. Wayland, Mabel Cunnison, the Melba W. Snyder, the W. K. Kellog, the Nancy Bacharach, and the Robert Wood Johnson loans. See the Financial Aid Office for parameters of these specific loans.

Projecting your Potential Repayment

This chart estimates the monthly payment required to pay your student loans within 10 years. Interest is included in the total repayment. This chart can be used as a guide to your payments after graduation; or if you need to take a Leave of Absence, this chart will help you anticipate monthly payments that you may be responsible for during your leave. This chart may also assist you in your financial planning and loan borrowing; and thereby allow you to make an informed decision as to the level of educational debt that you should assume.

Loan Size	Federal Perkins PCL & LDS 5%	Institutional 5%	Federal Stafford 6.8%	(2) Alternative Loan 9%	(3) Grad PLUS Loan 7.9%
5,000	$ 53	$ 53	$ 58	$ 63	$ 60
10,000	106	106	115	127	121
15,000	159	159	173	190	181
20,000	212	212	230	253	242
25,000	265	265	288	317	302
30,000	318	318	345	380	362
35,000	371	371	403	443	423
40,000	424	424	460	507	483
45,000	477	477	518	570	544
50,000	530	530	575	633	604
55,000	-	-	633	697	664
60,000	-	-	690	760	725
65,000	-	-	748	823	785
70,000	-	-	806	887	846
75,000	-	-	863	950	906
80,000	-	-	921	1,013	966
90,000	-	-	1,036	1,140	1,087
100,000	-	-	1,151	1,267	1,208
110,000	-	-	1,266	1,393	1,329
120,000	-	-	1,381	1,520	1,450
130,000	-	-	1,496	1,647	2,570
140,000	-	-	1,611	1,773	1,691
150,000	-	-	1,726	1,900	1,812

(1) Minimum monthly payment amount for PCL and LDS is $15.00.
(2) Alternative Loan payments based upon estimated 9% fluctuating interest rate with interest paid by student while in school.
(2) Federal Grad PLUS Loan payments based upon 7.9% fixed interest rate with interest paid by student while in school.

What Happens to the Interest?

	Subsidized	Unsubsidized
Grace	Interest does not accrue to borrower	Interest accrues to borrower's account
Deferment	Interest does not accrue to borrower	Interest continues to accrue to borrower's account
Forbearance	Interest begins to accrue to borrower's account	Interest continues to accrue to borrower's account

The Consequences of Student Loan Default

For You

- You will be ineligible for further student loans and other federal/state student assistance.
- Your credit rating may be tainted for up to seven years because your default will be reported to all national credit bureaus. This will affect your ability to gain approval for a mortgage and other personal loans (e.g., automobile).
- You may be sued to compel you to repay the loan.
- Your account may be turned over to a professional debt collection agency.
- Your federal income tax refund may be seized to repay part or all of your debt.
- Your wages may be garnished to pay defaulted loans.

For Others

- You will reduce the availability of revolving federal and institutional loan funds for other students attending Jefferson. Academic institutions rely on collections from prior borrowers to maintain or increase the institutionally administered loan funds that are available to currently enrolled students.
- You may impede other students' ability to obtain Federal Stafford Loan and/or other funds at the institutions in which you were previously enrolled. The federal government has established performance standards in relation to institutional default rates. Schools in excess of the prescribed performance standards are subject to financial liability and suspension or termination of eligibility.

Applying for the Federal Direct Stafford Loan and Completing the Federal Direct Stafford Loan Master Promissory Note (MPN)

The Stafford Loan is a low-interest rate federal loan used by students to pay educational expenses. There are two types of Stafford – subsidized and unsubsidized. (Please note that the Subsidized Loan is no longer available after 7/1/12 for graduate students only.) The government pays the interest on the Subsidized Stafford loan while the student is in school and during the post-graduation six-month grace period. Also available to most students is the Unsubsidized Stafford Loan. Unlike the Subsidized Stafford Loan, the student is responsible for the interest on the Unsubsidized Stafford Loan. Interest begins to accrue on the Unsubsidized Stafford Loan at the time of disbursement and the interest may be deferred until repayment. No payments are required on the Stafford Loan while a student is enrolled on at least a half-time basis.

The Federal Direct Loan Program will charge up to a 2% fee on the Federal Stafford Loan. Due to 2010 legislation, the Federal Direct Loan Program is the only lender for all federal loans. The MPN needs only be completed once for your enrollment at Jefferson.

Please note, in addition to the MPN, all students must have a completed TJU financial aid application on file with the Financial Aid Office and have a Federal Stafford Loan application form completed. The Federal Stafford Loan application form is the document where the amount of subsidized and unsubsidized being applied for is indicated. If you have any questions regarding the TJU financial aid application process or the Federal Stafford Loan application form, please contact the University Office of Financial Aid at (215) 955-2867 or at financial.aid@jefferson.edu.

To complete the MPN using the Direct Loan Program's online capabilities, please follow these instructions:

- Go to http://Student Loans.gov
- Under "Manage My Direct Loan" menu box, click Sign In and complete login with your confidential information and federal PIN.Then click Complete Master Promissory Note.
- Follow the steps given and select Thomas Jefferson University when school name is requested.

To complete the MPN online, you must have the following information available to reference:

- Your federal PIN # (given to you by the government – used to file your FAFSA online). If you do not have a federal PIN #, please apply for a PIN # at http://www.pin.ed.gov
- Two references, living at different addresses (one reference can be a parent)
- Driver's License number

If you have any questions regarding the Federal Stafford Loan program or the completion of the MPN, please contact the University Office of Financial Aid at (215) 955-2867 or financial.aid@jefferson.edu.

Federal Graduate PLUS and Private Loan Comparison
Which do you borrow? Which is best for you?

If after you have applied for a Federal Direct Stafford Loan, you still need additional funds to cover your remaining educational expenses as included in your Student Expense Budget, you may want to consider either a Federal Graduate PLUS Loan or a Private Alternative Loan. Students usually don't borrow both but instead choose one of these loans that they are most comfortable with and feel that the terms better fit their borrowing preferences.

	Federal Graduate PLUS Loan	**Private Loan**
Borrower	Student is Borrower	Student is Borrower
Lender	The Federal Direct Student Loan Program must be used to apply for the PLUS Loan as mandated by new federal regulations.	Student may choose any lender who offers private educational loans. See our suggested list of lenders on our Web site under the "Other Loan Options" menu.
Credit Check	Eligibility is based on approval of credit history (no accounts in default, collections status, charge off, write off, or 90-days past due status) not credit score; if credit requirement is not met, a credit-worthy endorser is an option for eligibility (an endorser, unlike a co-signer, is not liable for repayment).	Credit approval is based on credit score and history; a credit worthy cosigner who agrees to be liable for the loan may be required for the best terms or eligibility.
Annual Maximum	Cost of attendance less financial aid	Generally, cost of attendance less financial aid
Aggregate Maximum	None	Varies by lender
Interest Rate	7.9% fixed rate	Varies by lender, credit score and cosigner status. Most lenders offer a variable interest rate that changes as often as four times a year. Usually there is no ceiling on private loans.
Fees	4% origination fee as mandated by the federal government.	Varies from 0%-5% for origination and/or repayment fees, according to the lender, student's credit score and whether the loan is cosigned.
Deferment and Forbearance	In-school deferment and possible six-month forbearance to align with other federal subsidized and unsubsidized loans that still maintain a grace period.	Generally not available, but some lenders may offer forbearance for medical residencies.
Grace Period	None	Varies by lender between six-nine months.
Repayment Terms	Choice between standard, graduated, extended and income-contingent terms.	Varies by lender; sometimes interest-only payments are allowed during early years.
Repayment Period	10-25 years depending on repayment option chosen and amount owed.	Varies 10-25 years, according to the lender and amount owed.
Eligible for Federal Consolidation	Yes	No
Death/Disability	Cancelled if borrower dies or becomes totally, permanently disabled; endorser not liable for debt.	Most loans are not insured against death or disability.
Promissory Note	Master promissory note (MPN) covers multiple direct loans up to 10 years.	Usually new application and promissory note must be completed each year.

Jefferson Medical College Institutional Loans

1. Jefferson Medical College Institutional Loans are need-based. Students are required to complete a FAFSA. Parent information must be supplied on the FAFSA as well as submitted directly to the Financial Aid Office.
2. Students must be either a U.S. citizen or permanent resident.
3. Interest rate: 5%
4. Grace Period: 12 months following the termination of full-time student status.*
5. Maximum repayment period is 10 years.
6. Loan is canceled upon death or permanent disability.

* interest rate and/or grace/deferment period applies to all Jefferson Medical College loans except the Mabel S. Wayland, the Robert Wood Johnson, the Melba W. Snyder, the Sledd Cunnison, the W.K Kellogg, the Edward McGehee, and the Nancy Bacharach loans.

Federal Perkins Loan

1. Students apply for Federal Perkins funds from the educational institution they are attending.
2. Federal Perkins is a need-based program. Therefore, students must complete the FAFSA, and if applicable other need analysis documents used by the institution.
3. U.S. citizens, nationals, permanent residents of the U.S., the Trust Territory of the Pacific, or Commonwealth of the Northern Marina Islands who are enrolled at least half-time in an eligible U.S. institution who are not in default on a Federal Perkins or Federal Stafford Loan and/or do not owe a refund on a Pell Grant or Supplemental Educational Opportunity Grant are eligible.
4. Maximum aggregate allowed is $60,000 including undergraduate and graduate loans. Actual award contingent upon availability of funding. Annual maximum for graduate or medical students is $8,000.
5. Interest rate: 5%
6. The effective grace period for borrowers after July 1, 1987 is nine months after student ceases to carry at least one half of the normal full-time academic work.
7. Maximum repayment period is 10 years.
8. Borrowers are entitled to a deferment not to exceed two years for serving in an internship required to begin professional practice or service. However, Federal Perkins loans whose disbursement was made on or after July 1, 1993 may only apply for forbearance while in internship and residency.
9. May be consolidated with Federal Subsidized Stafford, Federal Unsubsidized Stafford, and HPSL.
10. Loan is canceled upon death or permanent disability.

Primary Care Loan (PCL) Program

{Before July 1, 1993, also known as the Health Profession Student Loan (HPSL)}

1. Students must be either a U.S. citizen or permanent resident.
2. Students apply for PCL funds from the educational institution they are attending.
3. PCL is a need-based program. Therefore, student and parent must complete the FAFSA and if applicable other need analysis documents used by the institution.
4. Students must demonstrate financial need.
5. Interest rate: 5%
6. Grace Period: 12 months
7. Deferment: Residency
8. Repayment period: maximum of 10 years.
9. Students awarded PCL funds on or after July 1, 1993 must meet 'financial need' requirement AND commit to complete a residency program and practice in either Family Medicine, General Internal Medicine, General Pediatrics, or Preventive Medicine within four years of graduation.
10. Loan is canceled upon death or permanent disability.
11. Not eligible for consolidation.

Federal Direct Subsidized Stafford Loan Program

(Not available for the 2012-2013 year and beyond.)

1. Students must be U.S. citizen or permanent resident.
2. Master Promissory Notes (MPN) may be obtained from the Financial Aid Office.
3. Federal Subsidized Stafford Loan is a need-based program. All applicants are required to complete the FAFSA as well as the Federal Subsidized Stafford Loan application.
4. MPN's are typically submitted to the Financial Aid Office for processing.

5. Annual maximum: $8,500 Aggregate maximum: $65,500
6. Federal Subsidized Stafford Loans are issued in 2 disbursements.
7. All Federal Stafford Loans are subject to a maximum 2% fee, which is taken equally out of both check before the check is issued.
8. Interest rate(s): DATE OF FIRST STAFFORD LOAN
   prior to January 1, 1981 – 7%
   - January 1, 1981 – September 12, 1983 – 9%
   - September 13, 1983 – June 30, 1988 – 8%
   - July 1, 1988 – September 10, 1992 – 8 % beginning w/the 5th year of repayment
   - October 1, 1992 – June 30, 1994 - variable rate; 91 day T-Bill + 3.1% w/ceiling of 8.25%

   ALL LOANS DISBURSED
   - -July 1, 1994 – June 30, 1998 – 91 day T-Bill + 3.1% w/ceiling of 8.25%
   - -July 1, 1998 – June 30, 2006 – 91 day T-Bill + 1.7% while in school and 2.3% while in repayment with a ceiling of 8.25%
   - July 1, 2006 – present 6.8% fixed interest
9. Grace Period:
   - prior to January 1, 1981 is 9 months
   - January 1, 1981 – present is 6 months
10. Deferment Period:
    2 years during residency; HOWEVER, new Federal Stafford borrowers whose first disbursement is made on or after July 1, 1993 and who did not have an outstanding Federal Stafford or SLS balance may only apply for forbearance during internship and residency.
11. Repayment period: Maximum of ten years.
12. May be consolidated with Federal Perkins, HPSL and under the federal consolidation program, HEAL.
13. This loan is cancelled upon death or permanent disability.
14. Borrowers are required to notify their lender if there is a change in name, permanent residence or enrollment status (e.g. leave of absence, return from leave of absence, repeat year, transfer, withdraw, graduate).

Federal Direct Unsubsidized Stafford Loan Program

(All parameters are the same as the Federal Subsidized Stafford Loan except for the following.)

1. Non-need based loan
2. Student must apply for the maximum ($8,500) in Federal Subsidized Stafford before Federal Unsubsidized Stafford eligibility can be determined.
3. Annual maximum: up to $38,666 a year (depending on year in school) assuming the borrower is eligible for the $8,500 Federal Subsidized Stafford. $47,166 for 2012-2013 and beyond assuming $0 Subsidized Stafford.
4. Aggregate maximum: $224,000 (including total amount borrowed in Federal Subsidized Stafford funds)
5. Interest rate: Refer to Federal Subsidized Stafford
6. Interest begins to accumulate upon disbursement of funds and may be deferred but will accrue and compound no more frequently than quarterly.
7. Consolidation Options: Refer to Federal Subsidized Stafford