



## Federal Direct Student Loan Information

### Types of Loans:

The Federal Direct Student Loan program offers Direct Subsidized Loans and Direct Unsubsidized Loans to help eligible students cover the cost of higher education at a four-year college or university, community college, or trade, career, or technical school.

Direct Subsidized Loans are available to undergraduate students with financial need as determined by the student's FAFSA.

Direct Unsubsidized Loans are available to undergraduate and graduate students with no requirement to demonstrate financial need.

### Student Eligibility:

- Students must complete a FAFSA (Free Application for Federal Student Aid).
- Students must be actively enrolled in at least half-time enrollment (6 credit hours) each semester loans are requested for at Carl Albert State College (CASC).
- Students must be making Satisfactory Academic Progress (SAP).
- Students must complete Entrance Counseling (EC) for CASC.
- Students must complete a Master Promissory Note (MPN) for CASC
  - The MPN explains all of the terms and conditions of direct loan borrowing and is a legally binding agreement to repay all Direct Loans received under the MPN.

### Disbursements & Refunds:

Federal Direct Loan funds are credited to student accounts and will be used to resolve outstanding balances.

- When the transfer of the loan monies results in an overpayment of the student's billing account, the excess funds will be refunded to the student through their designated electronic refund option.

### Semester, Annual, & Lifetime Loan Limits:

Maximum loan limits depend of the type of student but cannot exceed the estimated Cost of Attendance (COA). Minimum loan amounts cannot be less than \$200 per semester on a student loan.

The COA reflects estimated costs that a typical student in a given set of circumstances will incur, within a moderate lifestyle, to attend an institution for a given period of time. This is used to award appropriate levels of funding to each student and is not what it would actually cost to attend school. CASC uses a 9-month budget based on a 15-hour credit load.

### Student Borrower Annual Limits:

Students can generally borrow up to their COA minus other aid they receive. Full annual limit depends on dependent/independent student status and number of post-secondary hours completed.

	Freshman (0-30 hours complete)			Sophomore (31+ hours complete)		
	Base Amt Amount (Sub/ Unsub)	Additional Amount (Unsub Only)	Max Loan Amount (Per Year)	Base Amount (Sub/Unsub)	Additional Amount (Unsub Only)	Max Loan Amount (Per Year)
Dependent Student	\$3,500	\$2,000	\$5,500	\$4,500	\$2,000	\$6,500
Independent Student	\$3,500	\$6,000	\$9,500	\$4,500	\$6,000	\$10,500

### Student Borrower Lifetime (Aggregate) Limits:

There is a limit on the amount of student loans a person can borrow in their lifetime.

Year in College	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
Subsidized and Unsubsidized Aggregate Loan Limit	\$31,000 No more than \$23,000 of this amount may be in subsidized loans.	\$57,500 for undergraduates No more than \$23,000 of this amount may be in subsidized loans.

### **Loan Fees & Interest Rates:**

#### Loan (Origination) Fees:

All Direct Subsidized Loans and Direct Unsubsidized Loans have a loan fee. The loan fee is a percentage of the loan amount and is proportionately deducted from each loan disbursement. The percentage for all Direct Subsidized and Unsubsidized loans first disbursed on or after Oct. 1, 2020 is **1.057%**. Loans first disbursed before that date had different loan fees. [View loan fees for loans disbursed earlier.](#)

Example: Estimated Loan Disbursement (full offered amount):  $\$2,750 \times 1.057\% = \$29.0675$  (rounded \$30)  
Actual Disbursement: \$2,720

#### Interest Rates:

All interest rates shown in the chart below are fixed rates. A fixed rate will not change for the life of the loan. If your loan was disbursed before July 1, 2025, you likely have a different interest rate. [View interest rates for loans disbursed earlier.](#)

Loan Type	Borrower Type	Fixed Interest Rate
Direct Subsidized Loans Direct Unsubsidized Loans	Undergraduate Students	6.39%

The U.S. Department of Education pays the interest on a Direct Subsidized Loan

- while you're in school at least half-time,
- for the first six months after you leave school (referred to as a grace period), and
- during a period of deferment (a postponement of loan payments).

Students are responsible for paying the interest on a Direct Unsubsidized Loan for the life of the loan.

- During periods of time when you are not required to make payments—such as while you are in school, in a deferment, or in a forbearance—your interest will accrue (accumulate) and it will in certain instances be capitalized (which means that your interest will be added to the principal amount of your loan). Whether



your unpaid interest capitalizes or not, you are still responsible for paying the interest that accrues. You can always choose to pay the interest that accrues even when you are not required to make a payment.

## **Repayment:**

### **Deferment:**

During a deferment, interest doesn't accrue on some types of loans.

In most cases, student loans will be placed into a deferment automatically while the . You have the option to opt out of an automatic in-school deferment if you'd like to continue making payments.

During periods of deferment, interest will accrue on the loan. Borrowers may choose to pay the accrued interest or allow the interest to be capitalized (added to the loan principal balance) when payments begin. Loan servicers will notify borrowers when their first payment is due.

You might be able to get a student loan deferment if you are

- undergoing cancer treatment;
- experiencing economic hardship;
- in a graduate fellowship program;
- enrolled in school at least half-time;
- performing qualifying military service;
- a post-active duty service member;
- a Parent PLUS borrower with student enrolled in school;
- enrolled in a rehabilitation training program; or
- unemployed.

### **Forbearance:**

During a forbearance, interest accrues on all loan types.

You might be able to get a student loan forbearance if you are

- experiencing financial difficulties, such as medical expenses or changes in income;
- serving in AmeriCorps;
- performing service that would qualify you for partial loan forgiveness through the U.S. Department of Defense;
- working in a medical or dental internship or residency;
- serving in the National Guard;
- have student loan payments that are high in relation to your income; or
- working as a teacher to qualify for Teacher Loan Forgiveness.