



The following is a list of terms and conditions if Title IV, HEA Loans. Title IV federal student loans are financial aid programs authorized under the Higher Education Act of 1965 and administered by the U.S. Department of Education. If a student wishes to accept Title IV Loans in their Financial Aid Package, they are required to complete a Master Promissory Note which also includes the terms and conditions for Title IV, HEA Loans. It is important to understand the terms and conditions, as students are agreeing to the terms once the MPN is signed, even if they do not complete their program.

Eligibility Requirements

To qualify for Title IV loans, students must:

- Be a U.S. citizen or eligible noncitizen.
- Be enrolled at least half-time in an eligible degree or certificate program.
- Maintain Satisfactory Academic Progress (SAP).
- Not be in default on any prior federal student loans.
- Complete the Free Application for Federal Student Aid (FAFSA).

Loan Types

Eligible students may receive one or more of the following Title IV loans:

- **Direct Subsidized Loans:** For undergraduate students with financial need; interest is paid by the government while in school.
- **Direct Unsubsidized Loans:** Available to undergraduate, graduate, and professional students; interest accrues from disbursement.
- **Direct PLUS Loans:** Available to graduate/professional students and parents of dependent undergraduates; requires credit approval.
- **Direct Consolidation Loans:** Allows borrowers to combine multiple federal loans into a single loan with a fixed interest rate.

Loan Terms and Interest Rates

- Interest rates are fixed and determined annually by Congress. Currently, the Direct Loan Interest Rates are 6.53% for Subsidized and Unsubsidized Loans, and 9.08% for Direct PLUS Loans.
- Origination fees are deducted from the loan amount before disbursement.
- Repayment begins **six months after graduation, leaving school, or dropping below half-time enrollment** (grace period may not apply to PLUS loans).
- Various repayment plans are available, including Standard, Income-Driven, and Extended options.

Terms and Conditions of Title IV, HEA Loans

Loan Amounts

- Subsidized and Unsubsidized loan amounts vary on the student's grade level, Student Aid Index, aggregate limit, and dependency status. PLUS Loans do not have annual limits, but cannot exceed the COA.
- Most loans are available up to the Cost of Attendance, less all other aid.

Repayment & Forgiveness Options

- Borrowers may select from multiple repayment plans, including Income-Based Repayment (IBR), Pay As You Earn (PAYE), and Revised Pay As You Earn (REPAYE).
- **Loan Forgiveness Programs:** Borrowers may qualify for Public Service Loan Forgiveness (PSLF) after 120 qualifying payments while working for an eligible employer.
- **Deferment & Forbearance:** Temporary postponement or reduction of payments may be available due to financial hardship, military service, or other qualifying conditions.

Rights and Responsibilities of Borrowers

Borrowers must:

- Use loan funds only for education-related expenses.
- Complete mandatory entrance and exit counseling.
- Repay the loan even if they do not complete their program, are dissatisfied with their education, or cannot find employment.
- Notify their loan servicer of changes to contact information, enrollment status, or financial hardship.

Consequences of Default

A loan is considered **in default** after **270 days of missed payments**, which may result in:

- Loss of eligibility for future federal aid.
- Damage to credit score.
- Wage garnishment and tax refund seizure.
- Legal action by the federal government.

Contact Information and Resources

For more information, borrowers can visit studentaid.gov or contact their loan servicer.