



**Highlights**

Four federally insured programs

Loans processed and serviced by Great Lakes Higher Education Corporation (GLHEC), a private, nonprofit corporation  
1-800-236-4300  
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Auto Pay discounts

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1-800-338-5736  
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## Federal Education Loan Programs

**Note: Loans should be used to supplement, not take the place of, all other available assistance such as scholarships, grants, work-study programs and parental/family aid.**

### Discounts On All Programs With Auto Pay

With Navy Federal's automatic payment program, parents and students alike receive 1/4 percentage point off their interest rates when they have payments automatically deducted from their Navy Federal checking account or any other financial institution's checking or savings account.\*

\*Effective on Stafford and PLUS Loans disbursed after July 1, 2000, and effective on consolidation loans after May 1, 2002.

### Federal Subsidized Stafford Student Loan

This program allows students to borrow money for post-secondary education at a low interest rate with a delayed repayment plan. Interest accruing during the in-school, grace and deferment periods is paid by the federal government. To qualify, the student must meet a federal "needs" test, have filed a Free Application for Federal Student Aid (FAFSA)\*\* and be:

- ▶ a Navy Federal member
- ▶ enrolled in a degree or certificate program approved by the U.S. Department of Education
- ▶ at least a half-time student
- ▶ a citizen or permanent resident of the United States

A school's financial aid office determines how much money each applicant may receive. Annual Subsidized Stafford Student Loan limits are:

Grade Level	Annual Limit***
Freshman/1st year	\$3,500
Sophomore/2nd year	\$4,500
Junior/3rd year	\$5,500
Senior/4th year	\$5,500
Other undergraduate/5th year	\$5,500
All graduate/professional years	\$8,500

### Aggregate limits:

Undergraduate	\$23,000
Graduate	\$65,000

\*\*Borrowers must file a FAFSA before a school can consider financial aid. FAFSA forms are available at [fafsa.ed.gov](http://fafsa.ed.gov) or the school's financial aid office. \*\*\*Dependent undergraduate students may borrow up to an additional \$2,000 in unsubsidized Stafford Loans annually.

### Repayment terms

Generally, the federal government pays the interest while the student is in school and during a grace period—usually six months after the student ceases enrollment. When the grace period is over, the student is responsible for payment of the loan. Monthly payments are determined by the amount borrowed with the following conditions:

- ▶ The minimum monthly payment is \$50
- ▶ The maximum repayment period is 10 years, not including in-school and deferment periods
- ▶ In some cases, income-contingent or extended repayment plans are available

### Federal Unsubsidized Stafford Student Loan

Students who do not meet the "needs" requirement for a Subsidized Stafford Student Loan, or who qualify for only partial aid from a subsidized loan, may be eligible for additional funds under this program. Although payments can be deferred while the student is in school, the interest accruing on the loan during the in-school and grace periods is paid by the borrower, not the federal government. Other repayment terms are the same as the subsidized loan.

#### A student must:

- ▶ be a Navy Federal member
- ▶ meet the same criteria as a subsidized loan borrower, except the federal "needs" requirement
- ▶ file a FAFSA

# Federal Education Loan Programs



The school determines the loan amount by subtracting any eligible financial assistance, including a Subsidized Stafford Student Loan, from the total cost of education—tuition, room and board, transportation expenses and any other costs associated with the program of study.

The annual and aggregate loan limits for unsubsidized Stafford Student Loans are:

<b>Dependent students Grade Level</b>	<b>Annual Limit*</b>
Freshman/1st year	\$5,500
Sophomore/2nd year	\$6,500
Junior/3rd year	\$7,500
Senior/4th year	\$7,500
Other undergraduate/ 5th year	\$7,500
<b>Aggregate limit:</b>	<b>\$31,000</b>

\*minus any subsidized Stafford Loans previously borrowed.

<b>Independent students Grade Level</b>	<b>Annual Limit*</b>
Freshman/1st year	\$9,500
Sophomore/2nd year	\$10,500
Junior/3rd year	\$12,500
Senior/4th year	\$12,500
Other undergraduate/ 5th year	\$12,500
All graduate/ professional years	\$20,500

### **Aggregate limits:**

Undergraduate	\$57,500
Graduate	\$138,500

\*minus any subsidized Stafford Loans previously borrowed.

### **Interest Rate for new Subsidized and Unsubsidized Stafford Student Loans**

- ▶ The interest rate for Subsidized Stafford Student Loans for undergraduate students only is a fixed rate of 5.6%, effective July 1, 2009

- ▶ The interest rate for Unsubsidized Stafford Student Loans is a fixed rate of 6.8%, effective July 1, 2009

### **Federal Parent Loan for Undergraduate Students (PLUS)**

This program allows natural parents, legal adoptive parents or legal guardians to borrow money to pay for post-secondary education for their dependent children. This loan is subject to credit approval.

#### **The parent/borrower must be:**

- ▶ a Navy Federal member
- ▶ a U.S. citizen or permanent resident

#### **The student must be:**

- ▶ enrolled or accepted for enrollment in a degree or certificate program on at least a half-time basis at an approved school
- ▶ a U.S. citizen or permanent resident

The parent or combination of parents can borrow up to the total cost of education—tuition, room and board, transportation and any other cost associated with the program of study—less any financial aid the student will be receiving.

### **Interest Rate for Federal PLUS Loans to Undergraduate Students**

As of July 1, 2008, the interest rate is a fixed rate of 8.5%.

#### **Repayment terms**

The first payment is due approximately 30 days after the final disbursement of each loan. Normally, the repayment schedule for a PLUS requires a minimum of \$50 per month on a maximum 10-year term. Subsequent PLUS Loans are added to any outstanding PLUS Loans and the total amount is re-disclosed for a new 10-year term.

Deferment option on new loans until six months after graduation or student drops below half-time enrollment.

### **Federal PLUS Loans for Graduate and Professional Students**

Graduate and professional students are eligible to receive Federal PLUS Loans. Student PLUS borrowers may borrow up to the cost of attendance for the period of enrollment, minus other estimated financial assistance.

# Federal Education Loan Programs

## A student must file a FAFSA and be:

- ▶ A Navy Federal member
- ▶ A U.S. citizen or permanent resident
- ▶ Enrolled or accepted for enrollment in a degree or certificate program on at least a half-time basis at an approved school

## Interest Rate for Federal PLUS Loans to Graduate and Professional Students

As of July 1, 2008, the interest rate is a fixed rate of 8.5%.

## Repayment terms

The first payment is due approximately 30 days after the final disbursement for each loan. A graduate or professional Federal PLUS Loan borrower may receive a deferment while he or she is enrolled on at least a half-time basis at an eligible school. Upon dropping to less than half-time enrollment status, the borrower is not entitled to a grace period.

## Federal Student Loan Consolidation

Designed to help borrowers better manage their student loan repayments, this program allows outstanding loans to be combined into a single loan with an extended repayment term. Loans eligible for consolidation are:

- ▶ Auxiliary Loans to Assist Students (ALAS)
- ▶ Federal Insured Student Loans (FISL)
- ▶ Federal Perkins Loans
- ▶ Guaranteed Student Loans (GSL)
- ▶ Health Professions Student Loans (HPSL)
- ▶ National Direct/Defense Student Loans (NDSL)
- ▶ Parent Loans for Undergraduate Students (PLUS)
- ▶ Federal PLUS Loans for Graduate and Professional Students
- ▶ Stafford Student Loans
- ▶ Supplemental Loans for Students (SLS)
- ▶ Federal Direct Student and Parent Loans

## Eligible borrowers must:

- ▶ be a Navy Federal member
- ▶ be in repayment or in the grace period preceding repayment. In some cases, delinquent and defaulted federal education loans may be consolidated.

## Repayment terms

The length of repayment is dependent on the total outstanding student loan debt. This amount is the total of those loans consolidated, plus other education loans owed but not consolidated. The interest rate on the loan is the weighted, average interest rate of the loans being consolidated, rounded up to the nearest 1/8% but not to exceed 8.25%. There are also provisions for deferment periods.

Navy Federal offers several choices of repayment plans. For more information, contact us or GLHEC.

## Program participation

Some schools do not participate in the Federal Family Education Loan Program (FFELP). Instead, these schools may provide similar loans through the Federal Direct Loan Program (FDLP). Funds for the FDLP are provided to borrowers directly from the federal government—not a private lender.

Check with the school to determine its participation in the FFELP.

## Processing time

Processing time for federally insured education loans varies. It normally takes one week after Navy Federal receives the completed application, slightly longer for the PLUS Loan. Our processing is in addition to the time a school takes to process your request, so apply as soon as your school allows. Consolidation loans can take as long as 60 days.

## Fees

For PLUS Loans only, an origination fee of 3% of the loan amount is charged. In addition, on all Stafford and PLUS Loans guaranteed on or after July 1, 2008, a 1% guarantee fee will be charged. These fees go to the U.S. Department of Education and the guarantor, respectively. They are deducted from the loan proceeds at the time of the loan's disbursement.

Contact Navy Federal or GLHEC for current schedules, as fees are subject to change without notice.



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