

## 2024-2025 Federal Direct Student Loan Information

*Please note this information only applies to United States citizens. Non-U.S. citizens cannot apply for government loans, but aid may still be available. Please contact the Financial Aid Office for assistance.*

Direct Loans are low-interest loans from the U.S. Department of Education (DOE) to help pay for the cost of education. You are borrowing directly from the federal government and have a single contact, the Direct Loan Servicing Center (your “loan servicer”), for everything related to the repayment of your loans, even if you receive direct loans through different schools. **While you are enrolled at Hebrew College**, the student accounts and financial aid coordinators will be your points of contact.

Direct Loan eligibility is determined by the Financial Aid Office based on federal eligibility and need requirements. Loan eligibility and amounts are subject to change according to changes in your financial situation, the number of credits you take, and/or your withdrawal from courses or school. Some of these changes may require you to return funds. Because loans generate interest, and we encourage students to only borrow what you absolutely need, **you are not required to accept the full amount of the loan for which you are eligible. If you accept a lesser amount, your eligibility will remain the same and you may borrow the additional amount during the school year.**

### Eligible borrowers must be:

- a graduate student enrolled in a degree program at least half-time (6 or more credits each semester),
- free of unresolved defaults on previous federal education loans,
- a U.S. citizen or permanent resident of the U.S., and
- maintaining satisfactory academic progress (as determined by Hebrew College).

	Unsubsidized Direct Loan	Direct PLUS Loan
<b>How much can I borrow?</b> The amount is limited to the student’s cost of attendance minus financial awards the student receives from the school and any outside organizations.	Up to \$20,500 per academic year, <b>regardless</b> of financial need. We recommend you only borrow what you will need to cover your educational and living expenses.	Direct PLUS loans are intended to cover any gap between aid and expenses. Please contact the Financial Aid Office for your individual Direct PLUS loan limit.
<b>Is a credit check required?</b>	No	Yes
<b>What do I need to do?</b> A Master Promissory Note (MPN) is a legally binding agreement to repay your loan to the DOE. Usually, one MPN can be used for all loans you receive while studying at the same school.	<ol style="list-style-type: none"> <li>1. Complete and return <a href="#">Hebrew College’s Loan Request Form</a> to us.</li> <li>2. Complete an MPN at <a href="http://studentaid.gov/mpn/grad/landing">studentaid.gov/mpn/grad/landing</a>.</li> <li>3. Complete a 20-30-minute Entrance Counseling session at <a href="http://studentaid.gov/entrance-counseling/">studentaid.gov/entrance-counseling/</a>.</li> </ol>	After applying for a direct loan, if you decide you need a Direct PLUS loan to supplement your aid, please contact us and we will send you a Direct PLUS loan request form.
<b>Federal fixed interest rate*</b>	Yes: 8.083%	Yes: 9.083%

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	Unsubsidized Direct Loan	Direct PLUS Loan
<b>Origination fees</b> (administrative fee the DOE takes before you receive a loan, so you will receive <b>less than</b> the amount you borrow and must repay.)**	1.057% of your disbursement	4.228% of your disbursement
<b>When does interest start to accrue?</b>	As soon as loan funds are sent to the College. If you defer paying the interest while you are in school, the accrued value will be added to the loan principal that you will begin paying off after graduation or if you drop below half-time status.	
<b>Grace period before repayment</b>	Six months after graduation or if student drops below half-time enrollment status.	
<b>Repayment term</b>	<ul style="list-style-type: none"> <li>You can pick from repayment plans that base your monthly payment on your income or plans that give you a fixed monthly payment.</li> <li>Repayment plans based on your income are a smart choice to lower your payment. For example, payments on the <u>Saving on a Valuable Education (SAVE) Plan</u> are no more than 10% of your discretionary income. The lower your income—or the larger your family size—the less you'll pay each month.</li> <li>If you don't pick a repayment plan, your loan servicer will place you on the Standard Repayment Plan (a 10-year fixed payment repayment plan). This plan might result in a higher monthly payment for you.</li> </ul>	

\* Student loans taken within a particular year maintain whatever interest rate had been set at the beginning of the year. If the federal government changes the loan interest rates during the academic year, that change will be reflected in the next year's loans.

\*\* These fees are subject to change after October 1, 2024. To ensure you receive the full amount of what you need, for example, \$10,000, the disbursement amount would be \$9,894. Therefore, to receive the full \$10,000, you would need to request \$10,107.

**How will you receive your money?** Your money is disbursed by the government in two payments, one each semester, and will be credited to any outstanding tuition and fees you might owe that semester. **Please plan your living expenses budget accordingly.**

- Disbursements are typically made just before or soon after the end of the Add/Drop period each semester. **New borrowers will not receive funds before the fourth week of school.** You will be notified of the expected disbursement dates.
- Any amount left over after covering tuition and fees will then be sent directly to you by check within 14 days after the disbursement date. During that 14-day period, you may change your mind about borrowing the full amount, and the leftover loan money will be returned to the federal government.
  - You may arrange with the Student Accounts Coordinator to pick up your check rather than have it mailed to you. **Please let us know which you prefer before the scheduled disbursement date.**
  - If you will be abroad in Israel for a year, you will need to tell us who your proxy is who will pick up your check on your behalf.**

**Right to cancel your loan:** You have the right to cancel your loan prior to disbursement or up to 14 days after the disbursement date. All funds received from the U.S. DOE for the benefit of the student will be returned from the student's account to the federal government. **Any funds already disbursed via check directly to the student must be returned to the federal government as well.** The student will be responsible for returning those funds. Speak to the Financial Aid Office for more information. **Any tuition that was to be paid using your loans will still be due and payable to the school.**

**When do I begin repaying my loan?** Direct loans have a six-month grace period that begins the day after you graduate, leave school, or drop below half-time enrollment. You do not have to begin making payments until the grace period ends (interest continues to accrue during the grace period). Generally, you will have 10 years in which to repay your loan, but other payment plans may be available. For Direct PLUS loans, interest will also continue to accrue during any repayment deferment periods. Please speak to the Financial Aid Office for further information or visit <http://studentloans.gov>.

**Public Service Loan Forgiveness:** Most Hebrew College graduates are eligible to participate in the DOE's Public Service Loan Forgiveness (PSLF) program. To qualify for PSLF after graduation, you will need to:

- be employed by a not-for-profit organization,
- work full-time for that organization,
- have direct loans or consolidate other federal student loans into a direct loan,
- repay your loans under an income-driven repayment plan, and
- make 120 qualifying monthly payments.

**To learn more, go to [studentaid.gov/manage-loans/forgiveness-cancellation/public-service](http://studentaid.gov/manage-loans/forgiveness-cancellation/public-service).**

**Other information:** (See "Rights and Responsibilities" at [hebrewcollege.edu/admissions/financial-aid-scholarships/](http://hebrewcollege.edu/admissions/financial-aid-scholarships/))

- You are required to repay your loan(s), including all accrued interest and fees, even if you do not complete your education, are unable to obtain employment, or are not satisfied with the education or other services you receive.
- If you drop below half-time or withdraw from school, you may be legally required to return all or part of any loan money you have received for that semester. **Please speak to the Financial Aid Office before dropping classes or withdrawing.**
- **You must maintain satisfactory academic progress and standing.** If you do not pass your courses, you will not be allowed to continue borrowing, but you will still be obligated to repay the loans you have already taken out.
- The minimum monthly loan payment is typically \$50 for each loan but can be more or less, depending on the repayment plan and/or total amount borrowed. Subsidized and unsubsidized loans are each counted as separate loans.
- You may prepay all or part of your loan(s) early without penalty. If you wish, you may make interest-only payments while you are in school. Otherwise, the interest will be capitalized into the principal loan amount each year.
- The interest rate, fees, and repayment terms for your loan(s) are specified in the promissory note and/or disclosure statement. These were set by the U.S. Congress, are written into law, and are not negotiable.
- **You must notify the [Direct Loan Servicing Center](#) within 10 days if you:**
  - Change your legal name, mailing address, or phone number.
  - Drop below half-time status, withdraw, or transfer to another school.
- If you qualify, you may apply for a deferment of loan payments.
- If you cannot make payments and do not qualify for deferment, you may request forbearance through your loan servicer.
- If you fail to repay your loan(s), you will be considered in default and may suffer the following consequences:
  - You may be sued by the loan servicer to force payment and may be liable for court and attorney fees if judgment is not in your favor.
  - Your default will be reported to a national credit bureau and will negatively affect your credit rating.
  - The entire unpaid balance, including interest, may become due and payable immediately.
  - Your federal and state income tax refunds may be withheld.
  - Your wages may be garnished.
  - You may be ineligible to receive any additional federal or state financial aid funds.
- Student loan debts cannot be cancelled by filing for bankruptcy.

**For more details about the information above, and to explore repayment options, visit [studentaid.gov/manage-loans/repayment/plans](http://studentaid.gov/manage-loans/repayment/plans).**

**And never hesitate to reach out to us directly at [financialaid@hebrewcollege.edu](mailto:financialaid@hebrewcollege.edu)!**