

Steps to Receive My Undergraduate Student Loan

Federal Direct Subsidized/Unsubsidized Loans

1. **Federal Direct Loan Entrance Counseling:** Go to studentaid.gov and click the "Log In" link and use your FSA ID and password to log in. Once logged in, click on the "Complete Aid Process" tab and then select "Complete Entrance Counseling" to begin the process.
2. **Master Promissory Note (MPN):** Go to studentaid.gov and click the "Log In" link and use your FSA ID and password to log in. Once logged in, click on the "Complete Aid Process" tab and then select "MPN for Undergraduates" and proceed.
3. **Annual Student Loan Acknowledgment:** Beginning April 2021, borrowers must complete the Annual Student Loan Acknowledgment at studentaid.gov. This step must be completed each academic year that a loan is borrowed.

If you have completed Federal Direct Loan Entrance Counseling recently at another institution, you can add Lincoln Memorial University by following these directions: log into studentaid.gov, click on your name in the top right corner, select "Documents," select filter by "Loan Counseling," select "Notify Additional School," and then add Lincoln Memorial University.

NOTE: LMU must receive confirmation that all steps have been completed before loans can be included in a payment plan or before the loans will disburse to your student account. For assistance with your Entrance Counseling, MPN, or FSA ID, please contact the Student Loan Support Center at 1.800.557.7394.

Federal Direct Parent PLUS Loans

1. **Application:** The parent must go to studentaid.gov and click the "Log In" link and use their FSA ID and password to log in. If the parent does not have an account, one can be created by selecting "Create Account." Once logged in, the parent should click the "Apply for Aid" tab. Next, the parent should select "Apply for a Parent PLUS Loan" in order to begin the application and credit check process. This step must be completed each academic year that a loan is borrowed.
2. **Master Promissory Note (MPN):** After applying for the Federal Direct Parent PLUS Loan, the parent will need to sign the Master Promissory Note (MPN) by clicking on the "Complete Aid Process" tab and then choosing "MPN for Parents."
3. **Parent PLUS Loan Form:** Complete the LMU Parent PLUS Loan Form located on the Forms page of the Student Financial Services section of www.lmunet.edu and fax it to 423.869.6347 or mail it to the Student Financial Services Office.
4. **Annual Student Loan Acknowledgment:** Beginning April 2021, borrowers must complete the Annual Student Loan Acknowledgment at studentaid.gov. This step must be completed each academic year that a loan is borrowed.

NOTE: The Federal Direct Parent PLUS loan is a low-cost education loan for parents to help cover the cost of attendance minus financial aid the student has already received. Approval for the PLUS loan is based on your credit history, not your income. If the parent applies and is denied a PLUS loan, the student may be eligible to receive additional Federal Direct Unsubsidized Loan funds. LMU must receive confirmation that all steps are complete before loans can be included in a payment plan or before the loans will disburse to your student account. For assistance with your credit application, MPN, or FSA ID, please contact the Student Loan Support Center at 1.800.557.7394.

Private Student Loans

Private Student Loans are offered by private lending institutions and are not guaranteed by the federal government. These funds are available to credit and non-credit students who may not be eligible for federal financial aid or who may need to bridge the gap between the actual cost of education and their federal financial aid. Total financial aid including federal and private student loans cannot exceed a student's cost of attendance. If approved for a private student loan, please contact the Office of Student Financial Services so we can certify the loan with the lender.

How to Set Up Direct Deposit for Refunds

Typically, loans disburse in two equal payments. The university will credit your loan proceeds to your student account to pay any outstanding charges, and then issue a refund of any remaining loan funds. We recommend that you set up a direct deposit for any refund you may receive. If direct deposit is not set up, a refund check will be mailed. To set up direct deposit, follow the directions below.

Log into MyLMU → Go to Webadvisor for students → Financial Information → Banking Information

General Loan Information

The Difference Between Federal Loans Types

- **Federal Direct Subsidized Loans** are loans made to eligible undergraduate students who demonstrate *financial need*. The U.S. Department of Education pays the interest on a Federal Direct Subsidized Loan while you're in school at least half-time, during your six-month grace period, and during a period of deferment. If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time that you can receive Federal Direct Subsidized Loans. **If this limit applies to you, you may not receive Federal Direct Subsidized Loans for more than 150 percent of the published length of your declared program.**
- **Federal Direct Unsubsidized Loans** are loans made to eligible undergraduate students, but in this case, the student does not have to demonstrate financial need to be eligible for the loan. The student is responsible for paying the interest during all periods. If the student chooses not to pay the interest while in school and during grace periods, the interest will accrue and be capitalized.
- **Federal Direct Parent PLUS Loans** are loans made to parents (biological, adoptive, or in some cases, stepparent) of dependent undergraduate students to help pay for education expenses not covered by other financial aid. Repayment generally begins once the loan is fully paid out. The parent may request to defer the payments while the student is in school during the application process or by contacting the loan servicer.

Interest Rates & Origination Fees

	Federal Direct Subsidized Loan	Federal Direct Unsubsidized Loan	Federal Direct Parent PLUS Loan
Interest Rate: For <u>undergraduate</u> loans first disbursed on or after 07/01/20 and before 07/01/21	Fixed at 2.75%	Fixed at 2.75%	Fixed at 5.30%
Origination Fee: For loans first disbursed on or after 10/1/20 and before 10/1/21	1.057%	1.057%	4.228%

Borrowing Limits (Annual & Aggregate)

Undergraduate Annual Amounts:	Dependent Students	Independent Students
Freshman - (0-29 credits or 1 st year nursing)	\$5,500	\$9,500
Sophomore - (30-59 credits or 2 nd year nursing)	\$6,500	\$10,500
Junior - (60-89 credits)	\$7,500	\$12,500
Senior - (90+ credits)	\$7,500	\$12,500

NOTE: Not all students may be eligible to borrow the maximum annual amounts shown above. Loan awards **cannot** exceed the cost of attendance and must be coordinated with any other aid you receive from private and institutional sources. **Always borrow responsibly.** Keeping track of how much you're borrowing, researching starting salaries in your field, creating a budget, and only borrowing what you need are all ways to be a responsible borrower.

Undergraduate Aggregate (total) Limits:	Subsidized	Total (Sub/Unsub Combined)
Dependent Undergraduates (excluding those whose parents can't borrow PLUS)	\$23,000	\$31,000
Independent Undergraduates (& Dependent Students whose parents can't get PLUS)	\$23,000	\$57,500

Enrollment Requirements & Withdrawing

Undergraduate students must enroll in at least six (6) credit hours in a semester in order to be eligible for Federal Direct Student Loans. If you drop below half-time (6 credit hours) enrollment, you will enter the six-month grace period for your loans. If you withdraw, financial aid (including loans) will be reviewed and possibly prorated or cancelled, based on the withdrawal date. Often, withdrawing can create a balance owed to the university. It is recommended that you contact the Office of Student Financial Services prior to withdrawing or dropping classes.

For additional information regarding Federal Direct Loans, please go to studentaid.gov.

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