

ENTRANCE COUNSELING

“The Entrance Counseling Guide for Borrowers,” brochure offers tips on managing your educational expenses, identifying financial resources, and scheduling repayment of your loans. For an online version of the brochure, go to www.ed.gov/DirectLoan/entrborr/.com.

ALTERNATIVE LOANS

A variety of consumer education loans are available through private lenders. Many are offered without regard to need or academic standing. Some are designed to supplement the Ford Direct Loan Program for students pursuing specific graduate/professional degrees such as the Law Access Loan Program (LAL) for law students and the Alternative Loan Program (ALP) for medical students.

Federal Direct Subsidized Loan

The Federal Direct Subsidized Loan is a need-based program administered by the University and the Federal Government. The Federal Government subsidizes this loan by paying accrued interest if you are enrolled at least half-time. This loan is repaid directly to the Federal Government.

Federal Direct Unsubsidized Loan

The Federal Direct Unsubsidized Loan is a non-need-based program administered by the University and the Federal Government. You are charged interest that is to be paid while you are in school. However, you have the option to defer interest while you are in school at least half-time. If you defer the in-school interest payments, the accrued interest is capitalized (added back to the principal amount of your loan). Under this option, when you begin repayment the interest you pay is based on the higher principal balance. This loan is repaid directly to the Federal Government.

- The interest rate is variable, adjusted annually, and does not exceed 8.25%. Interest begins to accrue on the date of the first disbursement.
- The Federal Government deducts a 3% processing fee from each disbursement to help defray the cost of supporting these low-interest loans.
- Repayment begins six months after you graduate, withdraw, or drop below half-time status. Complete details are provided on your promissory note.

Direct Loan Cancellation

If you have a Federal Direct Loan that you want to cancel after the funds have been disbursed to your account you have 14 days to submit a written notification to The Office of Financial Aid, Scholarships and Student Employment. You should not cash refund checks that you may receive.

If you cancel the loan after the 14 day period you should contact the Direct Loan Servicing Center at 1-800-848-0979.

Federal Perkins Loan

The Federal Perkins Loan is a low-interest loan available to both undergraduate and graduate students who have exceptional financial need and meet the priority deadlines. This need is determined by a federal formula using the information you provide on your FAFSA. The Federal Government and the University fund the loan program, and you repay this loan to the University. Perkins funds are limited.

If you are a full-time undergraduate student, you may borrow up to \$4,000 annually for each year of undergraduate study. The aggregate loan amount you can borrow is \$20,000 as an undergraduate student.

If you are a graduate or professional student, you may borrow up to \$6,000 annually. The aggregate loan amount you can borrow is \$40,000 including any Federal Perkins Loans that you borrowed as an undergraduate. The annual interest rate is 5%, no insurance premium or processing fee is charged.

- Repayment of your loan begins nine months after you graduate, withdraw, or drop below half-time. You have up to 10 years to repay your loan.
- A borrower may have all of his or her loans (including interest) cancelled for engaging in teaching, public service, service in the Peace Corps or ACTION, or serving in the military.

For additional information on cancellations please contact the institution from which you have received your loans.

Heath Professions Student Loan

The Health Professions Student Loan (HPSL) Program is designed to provide financial assistance in the form of long-term loans if you are enrolled in a specific health profession field. You must report parental data on the FAFSA to be considered for a HPSL. This is a need-based loan with variable loan amounts of up to \$2,500 per year plus the cost of tuition for students enrolled in the college of Pharmacy, Nursing and Allied Health Sciences. Health Professions Loans are also available to medical and dental students on a limited basis as renewal loans only. There is no limit on the amount that you can borrow. The interest rate is fixed at 5%, and you may take up to 10 years to repay your loan.

Repayment and interest begin one year after you graduate, cancel your enrollment, or drop below half-time. Your monthly payment amount will be calculated to allow full repayment within 10 years.

Repayment can be deferred for:

- Up to two years if you are on a leave of absence to pursue an educational activity directly related to your intended health profession or if you are engaged in a qualified fellowship training program, or full-time educational activity.
- Up to three years if you are on active duty as a member of a uniformed service or a Peace Corps volunteer.
- An unlimited period if you are pursuing advanced professional training.





Primary Care Loans (PCL)

These loans are available if you are an allopathic or osteopathic medical student (pursuing a M.D. or D.O.) who intends to engage in a primary care residency or practice. Primary health care is defined as family medicine, general internal medicine, general pediatrics, preventive medicine, or osteopathic general practice. Eligibility requirements for the PCL are the same as for the HPSL except that the recipient must commit to a three year primary care residency and must practice as a primary care physician until the loan is paid in full. If you do not fulfill this obligation, you must repay your PCL within three years from the date when you failed to comply. In addition, you must repay interest at 18% compounded annually and computed from the date the loan was issued. You can borrow a maximum of the amount of tuition plus \$2,500 and take 10 to 25 years to repay this loan.

Loans For Disadvantaged Students

The Loans for Disadvantaged Students (LDS) Program provides 5% interest rate loans to disadvantaged health professions students. Additional eligibility requirements and repayment provisions for LDS mirror those for the HPSL program.

Nursing Student Loan

The Nursing Student Loan (NSL) Program is available to nursing students attending approved nursing schools offering a diploma, associate, baccalaureate or doctorate degree. The University may award up to \$2,500 per academic year, based on the student's financial need. This annual limit increases to \$4,000 during a student's final two years in a nursing program. The aggregate maximum limit for a NSL is \$13,000.

To qualify, you must be enrolled at least half-time, be a U.S. citizen, naturalized, or permanent resident. The interest rate is 5% and does not accrue during periods of deferment.

Repayment may be deferred for:

- 3 years if you are on active duty as a member of the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration Corps, the U.S. Public Health Service Commissioned Corps or the Peace Corps.
- 10 years if you are a full or half-time student who is (A) in a nursing program leading to a baccalaureate or graduate degree or (B) pursuing advanced professional training in nursing or training to be a nurse anesthetist.

Howard University Emergency Loans

The University has several short-term low-interest loan funds from which students may borrow when they experience temporary cash flow problems. These funds are available to meet emergency educational expenses which cannot be deferred (broken eyeglasses, books, rent, food, etc.). Loans are not intended for use in making scheduled tuition payments nor as a means of maintaining financial obligations. Students experiencing chronic financial difficulties may wish to speak to a Financial Aid Officer.