

Office of Financial Aid • Marian University • 3200 Cold Spring Road • Indianapolis, IN 46222-1997
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Dear Student:

Thank you for choosing Marian University. We welcome new and returning students.

If this is your first year with us, we know you are making decision right now that will affect your education career. We want to offer our assistance to help you make choices that are right for you.

We are using the Federal Stafford Loan Master Promissory Note (MPN) in the application process. This note remains active for 10 years, which means that once an MPN is completed, your Stafford loans can be automatically processed for you. We recommend that borrowers who have educational loans with other lenders continue to use those lenders for the current year, but it is not required.

The MPN process is explained more thoroughly in the rest of this document. Please take a few moments to read this information. Complete the Stafford Loan Request Form on the Award Letter and return it to the Marian University Office of Financial Aid.

If you have question about our student loan procedures, please call the Office of Financial Aid at 317.955.6040 or 800.834.5494 or e-mail us at finaid@marian.edu.

Sincerely,

Office of Financial Aid
Marian University

GENERAL REQUIREMENTS/REGULATIONS

- All students applying for a Federal Stafford loan must be U.S. citizens or eligible non-citizens.
- All students **must be enrolled at least half-time** (6 credit hours or more per semester) to qualify for a Federal Stafford Loan.
- Students must attend classes and maintain satisfactory progress to continue being eligible for their loans.

USING THE MASTER PROMISSORY NOTE

The Master Promissory Note (MPN) is designed to make the loan process simpler and more straightforward for student borrowers.

Here's how it works:

The student borrowers will complete a FAFSA. Marian University will use that information to determine their eligibility for a loan. First-time borrowers, new transfers to Marian University, and students changing lenders will complete the Stafford Loan Request and choose a lender. If an email address is provided by the student, the student will be emailed instructions regarding completion of their MPN on line. If no email address is provided, the MPN will be mailed to the student. Repeat borrowers are not required to sign a new MPN.

BORROWER'S RIGHTS AND RESPONSIBILITIES

- Borrowers are required to repay education loans, even if students do not finish their academic program or their academic program does not meet their expectations.
- Students are responsible for notifying their school and lender if they have received student loans from more than one lender.
- Students must use money received from education loans for education-related expenses only.
- All borrowers must notify their lender in writing of:
 - ✓ Name or address changes.
 - ✓ Failure to enroll at Marian University.
 - ✓ Failure to enroll on at least a half-time basis (6 credit hours per semester) or for the loan period certified.
 - ✓ Withdrawal from school or reduction of attendance to less than half time.
 - ✓ Transfer from one school to another.
 - ✓ Graduation.
- If borrowers meet the eligibility requirements, they have a right to repayment deferments, which suspend principal loan payments for specified periods of time.

Any of the following conditions could delay the processing of your loan request by Marian University:

- Not having a FAFSA on file.
- Not completing the verification process if you were asked to submit federal tax information to Marian University.
- Not responding to requests for additional information/documentation by the Marian University Office of Financial Aid.

SUBSIDIZED VS. UNSUBSIDIZED

There are two types of Federal Stafford loans: subsidized and unsubsidized.

Subsidized: For students who receive a subsidized Stafford loan to attend Marian University, the federal government pays the interest on their loan while they attend school at least half time or when they qualify for an authorized deferment.

Unsubsidized: Students who receive an unsubsidized Stafford loan to attend Marian University are responsible for the interest while they are in school. If students want to pay this interest while they attend school, they should complete item No. 12 on the MPN. If they do not want to make the interest payments, the interest can be added to their principal balance through a process called capitalization.

LOAN AMOUNT ELIGIBILITY (effective July 1, 2008)

	Dependent Student				Independent Undergrad				Grad Student
	FR	SO	JR / SR		FR	SO	JR / SR		
Subsidized	3500	4500	5500	Subsidized	3500	4500	5500	Subsidized	8500
Unsubsidized	2000	2000	2000	Unsubsidized	6000	6000	7000	Unsubsidized	12000

As of July 1, 2008, the federal government has also increased undergraduate students' aggregate loan totals:
 Undergraduate Dependent Students: \$31,000 (no more than \$23,000 of which can be subsidized)
 Undergraduate Independent Students: \$57,500 (no more than \$23,000 of which can be subsidized)

APPLICATION PROCEDURES

Freshmen or first-time borrowers –

1. The student completes the Stafford Loan Request on the Award Letter by choosing a lender from the list below, providing a valid email address, and returning it to the Marian University Office of Financial Aid.
2. The Office of Financial Aid certifies the student's loan eligibility and transmits that information to USA Funds.
3. An email will be sent to the student providing instructions for completing the MPN on the web. If no email address is provided, a paper MPN will be mailed to the student for completion.

Returning students who have already completed an MPN (Master Promissory Note)

1. The Office of Financial Aid will use the student's MPN that is on file and certify the loan for the amount listed on the award letter.

Disbursement of loan funds:

- The lender sends the funds to Marian University.
- Marian University applies the loan funds to the student's account.
- Any remaining funds resulting in a credit balance in the Business Office can be returned to the lender or issued to the borrower for personal and living expenses.

LENDER CHOICES

The following is a list of lenders chosen by Marian University students during the 2008-09 school year. For a comprehensive list of Stafford Loan Program participants, visit <http://www.finaid.org/loans/educationlenders.phtml>. Please see lender websites for specific borrower benefits.

- Citibank Student Loans – 826878
- Citizens Bank – 805204
- EdAmerica – 831453
- Fifth Third Bank – 803688
- First Financial Bank – 803799
- JPMorgan Chase Bank – 811925
- National City Bank – 831403
- Sallie Mae Education Trust - 802218
- Student Loan Funding – 831455
- Suntrust Bank - 811353
- Wachovia Education Finance Inc. – 830005
- Wells Fargo Education Financial Svcs – 807176

REPAYING YOUR LOAN

Students are required to begin repaying their Federal Stafford loan six months after they graduate, leave school, or drop below half-time attendance. Borrowers generally have 10 years to repay these loans. Under a level repayment plan, the monthly payment would be at least \$50. For example, the monthly payment on a \$6000 Stafford loan with an interest rate of 6.8 percent would be \$69 under a 10-year level repayment plan.

There are other repayment options:

Many lenders offer flexible repayment options that allow student borrowers to increase their payments gradually over time or tie the size of their monthly payment to their income. Students can learn more about these options by contacting their lender/servicer.

Borrowers can investigate consolidating all their federal education loans so they have one monthly payment. This program also generally allows borrowers to extend the repayment period beyond 10 years.

If borrowers experience economic hardship or other circumstances that limit their ability to repay their loan, they might qualify for a *deferment* or a *forbearance*. A deferment allows eligible borrowers to postpone payments for certain reasons for as long as they are enrolled on a least a half-time basis in a postsecondary school, graduate fellowship, or rehabilitation training program.

Deferments of up to three years also are available of borrowers are unemployed.

Borrowers who do not qualify for a government-approved deferment can request a *forbearance* from their lender. A forbearance can delay or reduce monthly payments. Usually, however, borrowers still must pay the interest on their loan during the forbearance period.

Please note: Borrowers who fail to repay their loan will be considered in default. If this occurs, their credit rating will be damaged, and they may not be able to borrow in the future to pay for a car, a home, or even to continue their education. Their wages may be garnished, and their federal and state income tax refunds may be withheld; their loan may be sent to a collection agency, and they will be liable for collection fees.

