



Chicago Theological Seminary

Student Loan Fact Sheet 2012-2013

Dear New and Returning CTS Students:

Please review the material in this fact sheet if you will use federal student loans in the upcoming 2012-2013 school year. Feel free to contact me if you have questions.

As in the past – student loans are not arranged for you until after you and I talk and we determine your eligibility and the amount that you need to borrow. Submitting the FAFSA does not automatically set up student loans for you.

Howard Nelson – CTS Financial Aid Office - (773) 896-2412 – hnelson@ctschicago.edu

Most new and returning CTS students qualify for federal student loans through the U.S. Department of Education's **William D. Ford Direct Loan Program** (Direct Loans).

- VERY IMPORTANT CHANGE IN THE LOAN PROGRAM - Beginning on July 1, 2012, all new loans for graduate students will be “unsubsidized”. There will no longer be any “subsidized” loans for graduate students. This means that the interest on the loan – 6.8% - will be building up while you are in school and your loan payments are in deferment. The amounts that you are eligible to borrow are unchanged, but your student loan will be more expensive.
- Please note - CTS does not prepare an award letter for students showing the federal student loans (aid) for which they are eligible. The request for student loans is initiated by the student by contacting the CTS financial aid office.

Both new and current students - who need to take out student loans - need to complete several steps and then contact Howard Nelson in the CTS Financial Aid Office.

All students need to complete step 1.

1. Complete the FAFSA application at www.studentloans.gov *Many of you have probably already done this.* The results of this FAFSA submittal will come to CTS automatically. To complete the FAFSA, you need to have a PIN, so if you don't already have one, you can apply for it at the same site. This PIN is also required for the next steps described below. The school code for CTS is G01661.

Students who have not borrowed before at CTS also need to complete steps 2 and 3.

2. Complete the online Entrance Counseling Session at www.studentloans.gov (Be certain to go to the official U.S. Department of Education - **that is the .gov** - website. DO NOT use the **.COM** website.)

3. Complete a Master Promissory Note (MPN) online at www.studentloans.gov You should complete the MPN for subsidized and unsubsidized loans (not PLUS LOANS) and should choose the multi-year promissory option.

After completing the above steps, contact Howard Nelson in the CTS Financial Aid Office (773) 896-2412 (hnelson@ctschicago.edu).You and he together will determine your estimated cost of attendance and your eligibility to borrow. If you decide to borrow, the loans are arranged through the CTS Financial Aid Office and come directly to CTS to be credited to your school account. If the amount you borrow exceeds your tuition and fees, you will receive a refund to assist you with other school and living expenses. In most cases the first half of the student loan is scheduled to come in at the beginning of the Fall semester and the second half at the beginning of the Spring semester.

ADDITIONAL IMPORTANT NOTES ABOUT THE DIRECT STUDENT LOAN PROGRAM

- To be eligible to borrow you must be enrolled as at least a half time student (2 classes per semester for the Masters level) and not be in default on any previous student loans.
- Repayment Information
The current interest rate for Direct Stafford Loans for graduate students is 6.8% per year. The standard repayment schedule is 10 years. Shown below are the monthly loan payments for various amounts borrowed at 6.8% and paid off over the standard 10 year period. You should be able to use this table to estimate what your payments will be. There is also an online payment calculator at the following U.S. Department of Education site:
<http://www2.ed.gov/offices/OSFAP/DirectLoan/RepayCalc/dlentry1.html>

<u>Amount Borrowed</u>	<u>Monthly Payment</u>
\$5,000	\$57.54
\$10,000	\$115.08
\$20,000	\$230.16
\$25,000	\$287.70
\$30,000	\$345.24
\$40,000	\$460.32
\$50,000	\$575.40

