

FROM THE OFFICE OF FINANCIAL AID
HOW TO GET A STUDENT LOAN FACT SHEET
2018-2019 ACADEMIC YEAR

Dear New and Returning CTS Students:

As you get ready for the next semester, I would like to share with you the steps you will need to complete if you would like to use federal student loans in the 2018-2019 school year.

Below, you will find general information about the William D. Ford Direct Loan Program (Direct Loans) as well as CTS' process to apply for these student loans. Please remember that a FAFSA submittal is required, but does not automatically arrange student loans for you.

*Josh Larson
Financial Aid Coordinator
(773) 896-2412*

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).

- All federal Direct Loans for graduate students are unsubsidized loans. The interest for the loans you take out in 2018-2019 will accrue while you are in school, but your loan payments will be in deferment while you maintain status as at least a half-time student. The amount that you can borrow depends upon your cost of attendance and other financial aid that you receive subject to a limit of \$20,500 per year.
- To be eligible to borrow you must be enrolled as at least a half time student (ie. 2 classes per semester) and not be in default on any previous student loans. If you drop below half-time status, you will not be eligible to borrow and you will lose your loan repayment deferral.
- If you decide to borrow, your loan funds will come directly to CTS to be credited to your school account after being processed and approved by the US Department of Education.
- PLEASE NOTE - CTS does not automatically prepare an award letter showing the federal student loans for which you are eligible. The request for student loans is initiated by completing the process outlined below.

HOW TO APPLY FOR A DIRECT LOAN

All students need to complete Step 1

STEP 1 - Complete your 2018-19 FAFSA (Free Application for Federal Student Aid) at www.fafsa.ed.gov using the CTS school code of G01661. The results of this FAFSA submittal will come to CTS automatically. To complete the FAFSA, you need to have an FSA ID - Username and Password - so if you don't already have one, you can apply for it at the same site.

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

STEP 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.)

STEP 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.

All students need to complete Step 4

STEP 4 - After completing the above 3 steps, contact the CTS Financial Aid Office - (773) 896-2412. Together, we will determine your estimated cost of attendance and your eligibility to borrow.

If you decide to borrow, the loans are arranged by 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 disbursed at the beginning of the Fall semester and the second half at the beginning of the Spring semester.

ADDITIONAL IMPORTANT NOTES ABOUT THE DIRECT LOAN PROGRAM

INTEREST RATES:

The interest rate for graduate student unsubsidized Direct Loans will be 6.60% for the 2018-2019 academic year. The interest rate for graduate PLUS Loans will be 7.60% for the 2018-2019 academic year.

REPAYMENT INFORMATION:

The standard repayment schedule is 10 years. Yet, there are several repayment options you're loan servicer can discuss with you in detail. If you would like to estimate your monthly repayment amounts, then feel free to use the online payment calculator at the following site:

<https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>

If you have any further questions, please contact the CTS Financial Aid Office at (773) 896-2412