

OFFICE OF FINANCIAL AID

## HOW TO GET A STUDENT LOAN FACT SHEET

*Dear New and Returning CTS Students:*

*As you get ready for the next term, I would like to share with you the steps you will need to complete if you would like to use federal student loans.*

*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.*

Financial Aid Office

[Financialaid@ctschicago.edu](mailto:Financialaid@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).

- All federal Direct Loans for graduate students are unsubsidized loans. The interest for the loans you take out 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. 6 credits or 2 classes per term for master's level programs and 3 credits or 1 class per term for doctoral level programs) 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 the FAFSA (Free Application for Federal Student Aid) for the applicable school year at <https://studentaid.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 & 3

**STEP 2** - Complete the online Entrance Counseling Session at <https://studentaid.gov/>

**STEP 3** - Complete a Master Promissory Note (MPN) online at <https://studentaid.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 Steps 4 & 5

**STEP 4** - After completing the above 3 steps, contact the CTS Financial Aid Office at [financialaid@ctschicago.edu](mailto:financialaid@ctschicago.edu) to let us know that you want to use federal student loans for the upcoming term.

**STEP 5** – You will receive a financial aid award letter outlining your cost of attendance and the amount you are eligible to borrow. The financial aid award letter must be signed and returned in order to process your federal student loan.

If you decide to proceed, 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 after the add/drop date for the Fall term and the second half after the add/drop date for the Spring term.

## ADDITIONAL IMPORTANT NOTES ABOUT THE DIRECT LOAN PROGRAM

### INTEREST RATES:

The interest rate for graduate student unsubsidized Direct Loans and graduate PLUS loans can be found at <https://studentaid.gov/>.

### REPAYMENT INFORMATION:

The standard repayment schedule is 10 years. However, there are several repayment options your loan servicer can discuss with you in detail. If you would like to estimate your monthly repayment amounts, feel free to use the online payment calculator found at <https://studentaid.gov/>.

If you have any further questions, please contact the CTS Financial Aid Office at [financialaid@ctschicago.edu](mailto:financialaid@ctschicago.edu).