

FEDERAL STUDENT LOAN PROGRAM

After your eligibility for other types of financial aid has been determined, you may need to take out a Federal Stafford Loan to pay for any remaining costs of education. You will be responsible for repayment of the principal and also the interest on your loan. Seabury can help you in that application process. **An entrance counseling session is required before you can borrow money and can be done on line at www.mapping-your-future.org or through the Seminary Services Office.** Stafford loans come in two types.

The Subsidized Stafford Loan is need-based and the Federal Government pays the interest as long as you are attending school at least half time. The government also pays the interest on a subsidized loan for the six-month grace period after you graduate, and for the length of any deferment. Students may borrow up to \$8500 in subsidized funds, depending on their need.

The Unsubsidized Stafford Loan is not need-based, and the government does not pay any of the interest on the unsubsidized loan. It is your responsibility to pay the interest while you are in school and during your grace period, or it will be capitalized (added to your principal balance)

The interest rate on both Stafford Loans is variable (and set by the federal government). It is tied to the 91 T-Bill, has a cap of 8.25%, and changes every July 1. Through June 30, 2005, the in-school interest rate for unsubsidized loans is 2.77%; the repayment rate for both subsidized and unsubsidized loans is 3.37%. Remember that this rate will change yearly throughout the life of the loan.

Loan proceeds will be sent to the school in three disbursements; one at the beginning of each term. By selecting one of our preferred lenders, you will ensure that your funds will arrive quickly as these lenders provide electronic funds transfer.

If you anticipate taking out a Stafford Loan you must:

1. Fill out the FAFSA, which generates the SAR (student aid report). If you started the financial aid process, you probably have completed this step.
2. You may use a lender other than the lender the Seminary uses, but you must obtain the appropriate lender code and address from that institution.
3. The first time you borrow while at Seabury, you must complete a form called "Federal Stafford Loan Master Promissory Note" and return it to the Seminary Services Office. You fill out the MPN (master Promissory Note) only once while you are in school.
4. It is a requirement that before a student borrows money they go through Entrance counseling (before one borrows) and Exit counseling (before one leaves the Seminary) which can be done through the Seminary Services Office or on line at www.mapping-your-future.org.
5. Choosing a Lender: One of your first responsibilities as a new student loan borrower is to choose a lender. The following two lenders are our preferred lenders and offer us excellent customer service, borrower benefits, and prompt electronic processing of loan applications.

Lender

Fifth Third Bank
Chicago, IL 60622
1-800-237-0771
Lender Code: 808780
Serviced by Sallie Mae
www.53.com

IDAPP
Deerfield, IL 60015
1-800-961-4327
Lender Code: 826351
Serviced by IDAPP
www.idapp.com

Borrower Benefits

- 3.3% of the original principal balance cash back or account credit after making your initial 33 scheduled payments on time and enrolling in Sallie Mae's online account management tool and agreeing to receive account information by e-mail.
- Combined billing with the Signature Student Loan
- .25% interest rate reduction for automatic payment from a checking or savings account.
- 1% interest rate reduction after 24 months of on time repayment
- Additional 1% interest rate reduction after 48 months of
- 1% rebate of the origination fee applied at repayment.