

## UNDERGRADUATE STUDENT LOANS

Your financial aid package includes one or more loans under the Federal Family Education Loan Program (FFELP). This is not an effort to promote borrowing; rather, the Office of Financial Aid wishes to provide you with a number of convenient options for financing the costs associated with your Samford University education.

There are two types of FFELP loans: the Federal Stafford Loan for students and the Federal PLUS Loan for parents. Please see the reverse side of this document to learn about the terms and conditions of each of these programs.

Follow the steps below to apply for the Stafford Loan and/or the PLUS Loan:

### **Federal Stafford Loan (student)**

#### **Step 1**

Refer to the enclosed award letter that states the amount and type of loan for which you are eligible.

#### **Step 2**

Complete the enclosed Federal Stafford Loan Request Form.

#### **Step 3**

Return the Federal Stafford Loan Request Form to Samford University, Office of Financial Aid, 800 Lakeshore Drive, Birmingham, AL 35229.

*If you are choosing a new lender for the 2006-2007 academic year **or** have not previously borrowed a Stafford Loan at Samford, you will be sent instructions regarding the Master Promissory Note.*

### **Federal PLUS Loan (parent)**

#### **Step 1**

Refer to the enclosed award letter that states the loan amount for which you are eligible.

#### **Step 2**

Complete the enclosed Federal PLUS Loan Request Form.

#### **Step 3**

Return the Federal PLUS Loan Request Form to Samford University, Office of Financial Aid, 800 Lakeshore Drive, Birmingham, AL 35229.

*If you are choosing a new lender for the 2006-2007 academic year **or** have not previously borrowed a PLUS Loan at Samford, you will be sent instructions regarding the Master Promissory Note.*

***See reverse side for terms and conditions.***

## Federal Stafford Loan

Federal Stafford Loans are low interest rate loans that enter repayment after a six-month grace period from the date the student ceases to be enrolled at least half-time. There are two types of Stafford Loans: *subsidized* (need-based) and *unsubsidized* (non-need-based). A student may receive both a subsidized and unsubsidized Stafford Loan for the same enrollment period.

**Subsidized:** The federal government pays the interest on this loan while the student is enrolled at least half-time and during the six-month grace period prior to the beginning of repayment. A student must demonstrate financial need to be eligible for a subsidized Stafford Loan. This is determined by the Free Application for Federal Student Aid (FAFSA).

**Unsubsidized:** The student is charged interest on this loan from the time the loan is disbursed until it is paid in full. While in school, the student can either pay the interest due or defer payment and let the interest accrue. Accrued interest will be capitalized (usually once) prior to repayment. This loan is available to all students who do not demonstrate financial need as determined by the FAFSA.

*Interest rate:* Interest rates and loan terms are determined by the federal government. As of July 1, 2006 the interest rate for a Federal Stafford Loan is scheduled to change from a variable rate to a fixed rate of 6.8%.

*Loan Fees:* Samford's preferred lenders generally pay the origination fees normally charged to borrowers. This benefit is subject to change without notice, therefore, please refer to the actual promissory note for specific terms and conditions.

*Repayment:* After a student withdraws, graduates or drops below half-time, he/she will have a six-month grace period before repayment begins. The standard repayment term is 10 years with a \$50 minimum payment.

*Loan limits:* Loan limits are determined by the federal government and are based upon dependency status of the student (determined from information provided on the FAFSA) as well as the student's grade level in school. A student may be awarded less than the annual maximums if there are additional sources of financial aid (i.e., scholarships, grants, etc.). Maximum loan limits for students can be viewed at [www.samford.edu/admin/finaid/loans.html](http://www.samford.edu/admin/finaid/loans.html)

## Federal PLUS Loan

The Parent Loan for Undergraduate Students allows parents with good credit histories to borrow additional money that may be necessary to cover their dependent student's educational costs. To be eligible, a parent must pass a credit check, meet U.S. citizenship requirements and not be in default or owe a refund to any federal student aid program.

*Interest rate:* On July 1, 2006 the interest rate is scheduled to change from a variable rate to a fixed rate of 8.5%.

*Loan fees:* The lender may charge a fee of up to 4% of the loan amount. Fees are generally deducted from the gross amount of each PLUS loan disbursement.

*Repayment:* Repayment of the PLUS Loan begins no later than 60 days after the final disbursement. There is no grace period, which typically means the parent will begin making payments while the student is in school. The standard repayment term is 10 years.

*Loan limits:* The annual loan limit is equal to the cost of attendance, as determined by the Office of Financial Aid, less any other financial aid the student is receiving.

# PARENT PLUS

## FEDERAL PLUS LOAN REQUEST

In order to request a Federal Parent Loan, the parent must complete this form and return the completed "SCHOOL COPY" to Samford University, Office of Financial Aid, 800 Lakeshore Drive, Birmingham, AL 35229. Do not fax. Allow 3-4 weeks for processing. Federal regulations require that loan funds be credited to your student account no earlier than 10 days prior to the first day of classes. Failure to SIGN and complete ALL sections (1-4) will delay the processing of your loan.

### Section #1 STUDENT INFORMATION

1. Last Name	2. First Name	3. Middle Name	4. Date of Birth / /19	5. Student Social Security # - -
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### Section #2 BORROWER INFORMATION (PARENT) All fields MUST be completed.

1. Last Name	2. First Name	3. Middle Name	4. <b>PARENT</b> Social Security # - -	
5. Permanent Street Address			6. Home Telephone Number ( ) -	
7. City	8. State	9. Zip	10. Driver's License # (list state first)	11. Date of Birth / /19
12. Student is enrolled in the following program during the loan request period (✓ only one that applies to you): <input type="checkbox"/> Undergraduate Day <input type="checkbox"/> Undergraduate Evening			13. What is your relationship to the student? _____	
14. I would like to request a loan for the following loan period (✓ only one): <input type="checkbox"/> <b>FALL &amp; SPRING (RECOMMENDED FOR MOST BORROWERS)</b> <input type="checkbox"/> Fall Only* <input type="checkbox"/> Spring Only* Is student graduating Fall 2006? <input type="checkbox"/> NO <input type="checkbox"/> YES *Loans borrowed for a single term (i.e., fall only) will be disbursed in two equal allotments: at the beginning of the term and at the term's midpoint, unless the student is studying abroad. Is the student studying abroad? <input type="checkbox"/> NO <input type="checkbox"/> YES				
15. Are you currently in default on a federal loan, or do you owe a refund on a federal government grant? (✓ yes or no): <input type="checkbox"/> NO <input type="checkbox"/> YES				
16. U.S. Citizenship Status (✓ only one and list ID number if applicable): <input type="checkbox"/> Citizen/National <input type="checkbox"/> Eligible Non-Citizen and Alien #: _____				

### Section #3 REQUESTED LOAN AMOUNT: Choose either Option #1 or Option #2 (✓ only one).

<input type="checkbox"/> <b>OPTION #1.</b> Based on the amounts shown on my award letter for the term I have indicated above, I would like to request the <i>maximum</i> Federal PLUS Loan amount that I have been awarded for the 2006-2007 academic year.
<input type="checkbox"/> <b>OPTION #2.</b> I would like to request <i>less</i> than the maximum amount awarded to me for the 2006-2007 academic year. I would like to borrow the following amount: \$ _____ .00 for the term I have indicated above.

### Section #4 LENDER: Samford's preferred lenders are listed below. Each of these lenders provides expedited service in addition to the benefits outlined on the enclosed Preferred Lender Comparison Chart. Please choose a lender by placing a ✓ in the box. If you do not designate a lender, the Office of Financial Aid will select one from the options below.

<input type="checkbox"/> NATIONAL EDUCATION - 630628 <input type="checkbox"/> NELLIE MAE - 829076 <input type="checkbox"/> SOUTHWEST STUDENT SERVICES - 830630
<input type="checkbox"/> Other - If you choose to borrow from another lender please enter that lender name and code here: _____

By signing my name below, I understand that all information listed above is valid.

PARENT SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

### SCHOOL INFORMATION: (to be completed by the Office of Financial Aid)

Date Certified: _____ / _____ / _____	FA	LOAN ID	LOAN PERIOD
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# Samford University

## 2006-2007 Preferred Lender Comparison Chart

Samford's preferred lenders are listed below. Each of these lenders provides expedited service in addition to the benefits outlined below.

	<b>NATIONAL EDUCATION® 630628 PLUS LOAN</b>	<b>NATIONAL EDUCATION® 630628 STAFFORD LOAN</b>	<b>NELLIE MAE® 829076 PLUS LOAN</b>	<b>NELLIE MAE® 829076 STAFFORD LOAN</b>	<b>SOUTHWEST STUDENT SERVICES® 830630 PLUS LOAN</b>	<b>SOUTHWEST STUDENT SERVICES® 830630 STAFFORD LOAN</b>
<b>Who is Eligible?</b>	Parents of undergraduate dependent students	Undergraduate and graduate students enrolled at least half-time	Parents of undergraduate dependent students	Undergraduate and graduate students enrolled at least half-time	Parents of undergraduate dependent students	Undergraduate and graduate students enrolled at least half-time
<b>Loan Limits</b>	Maximum = Up to the total cost of the student's education as determined by school (minus other aid received)	Dependent Students = \$2,625 for Freshmen, \$3,500 for Sophomores, \$5,500 for Juniors/Seniors. Independent Students = \$6,625 for Freshmen, \$7,500 for Sophomores, \$10,500 for Juniors/Seniors, \$18,500 for Graduates/Professionals	Maximum = Up to the total cost of the student's education as determined by school (minus other aid received)	Dependent Students = \$2,625 for Freshmen, \$3,500 for Sophomores, \$5,500 for Juniors/ Seniors. Independent Students = \$6,625 for Freshmen, \$7,500 for Sophomores, \$10,500 for Juniors/Seniors, \$18,500 for Graduates/ Professionals.	Maximum = Up to the total cost of the student's education as determined by school (minus other aid received)	Dependent Students = \$2,625 for Freshmen, \$3,500 for Sophomores, \$5,500 for Juniors/Seniors. Independent Students = \$6,625 for Freshmen, \$7,500 for Sophomores, \$10,500 for Juniors/Seniors, \$18,500 for Graduates/Professionals.
<b>Fees and Interest Rates</b>	<ul style="list-style-type: none"> <li>• 3% origination fee</li> <li>• 1% default fee</li> <li>• 8.5% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 0% origination fee<sup>1</sup></li> <li>• 1% default fee</li> <li>• 6.8% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 3% origination fee</li> <li>• 0% default fee<sup>2</sup></li> <li>• 8.5% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 0% origination fee<sup>1</sup></li> <li>• 0% default fee<sup>2</sup></li> <li>• 6.8% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 3% origination fee</li> <li>• 0% default fee<sup>2</sup></li> <li>• 8.5% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 0% origination fee<sup>1</sup></li> <li>• 0% default fee<sup>2</sup></li> <li>• 6.8% fixed interest rate</li> </ul>
<b>Borrower Benefits</b>	<ul style="list-style-type: none"> <li>• 1% interest rate reduction after making your first 24 scheduled payments on time<sup>3</sup></li> <li>• 2% interest rate reduction after making your first 48 scheduled payments on time<sup>3</sup></li> <li>• 1/4% interest rate reduction for automatic account withdrawal<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 1% interest rate reduction after making your first 24 scheduled payments on time<sup>3</sup></li> <li>• 2% interest rate reduction after making your first 48 scheduled payments on time<sup>3</sup></li> <li>• 1/4% interest rate reduction for automatic account withdrawal<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 2.4% loan credit based on the original principal amount after making 24 monthly payments by the due dates as initially scheduled<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 3.3% cash back or credit when borrowers make their first 33 payments on time, and prior to repayment sign up to receive account information by email<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 1% loan credit at repayment when prior to repayment borrowers enroll in automatic debit and sign up to receive account information by email<sup>6</sup></li> <li>• .25 percentage point interest rate reduction after you make your payments by the due dates as initially scheduled<sup>6</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 3.3% cash back or credit when borrowers make their first 33 payments on time, and prior to repayment sign up to receive account information by email<sup>5</sup></li> </ul>
<b>Contact Information</b>	<a href="http://www.nationaleducation.com">www.nationaleducation.com</a>	<a href="http://www.nationaleducation.com">www.nationaleducation.com</a>	<a href="http://www.nelliemae.com">www.nelliemae.com</a>	<a href="http://www.nelliemae.com">www.nelliemae.com</a>	<a href="http://www.sssc.com">www.sssc.com</a>	<a href="http://www.sssc.com">www.sssc.com</a>

<sup>1</sup>Nellie Mae, Southwest Student Services Corporation and National Education will pay the origination fee on the borrower's behalf on Stafford Loans for Academic Year 2006-2007 guaranteed beginning 5/1/06. Terms and Conditions apply.

<sup>2</sup>Nellie Mae and Southwest Student Services will pay the 1% default fee on the borrower's behalf on Stafford Loans that are guaranteed by USA Funds 7/1/06 - 6/30/07. USA Funds will pay the default fee on Nellie Mae and Southwest Student Services PLUS Loans that are guaranteed by USA Funds 7/1/06 - 6/30/07.

<sup>3</sup>Stafford Loans eligible for the interest rate reduction benefits must be first disbursed from July 1, 2006 through June 30, 2007 by National Education. An on-time payment on the interest rate reduction benefit is one that is received within 15 days of its due date. Auto debit is not a requirement to receive interest rate reduction benefits.

<sup>4</sup>The 2.4% loan credit is available during active periods of repayment on PLUS Loans that are first disbursed from July 1, 2006 to June 30, 2007 by Nellie Mae and must be owned and serviced by Sallie Mae® throughout repayment. You must continue to pay on time to retain this benefit.

<sup>5</sup>Stafford Loans eligible for the 3.3% Sallie Mae Cash Back® benefit must be first disbursed from July 1, 2006 through June 30, 2007 by Nellie Mae or Southwest Student Services and be owned and serviced by Sallie Mae throughout repayment. The cash back benefit is based on 3.3% of the original principal loan balance.

<sup>6</sup>The 1% loan credit and .25 percentage point interest rate reduction benefits are available during active periods of repayment on PLUS Loans that are first disbursed from July 1, 2006 through June 30, 2007 by Southwest Student Services and must be owned and serviced by Sallie Mae throughout repayment. You must continue to pay on time to retain the interest rate reduction benefit.

The information contained herein is accurate to the best of our knowledge. Always refer to the Master Promissory Note for specific terms and conditions.