If you are a U.S. citizen or a U.S. permanent resident, you may be entitled for a U.S. Federal Student Loan to assist you financially in your education.

**Federal Direct Student Loans**

University education can be an expensive undertaking. Some students may consider taking out a student loan to help them with their tuition and expenses. AUB students who are U.S. citizens or holders of a U.S. Green Card may be eligible to receive federal loans. Since AUB is located outside of the United States it is eligible to participate in only the William D. Ford Federal Direct Loan Program.

Direct Loans are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education (the Department) rather than a bank or other financial institution.

The Direct Loan Program offers to AUB students the following types of loans to undergraduate students:

- **Subsidized Stafford Loan**: for students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace period, and during deferment periods.
- **Unsubsidized Stafford Loan**: not based on financial need; interest is charged during all periods, even during the time a student is in school and during grace and deferment periods. Student can choose not to pay interest while at school and can defer the payments until after graduation by capitalizing the interest.
- **PLUS Loans (Parent PLUS)**: unsubsidized loans for the parents of dependent students. PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods.

**How to Apply?**

As with all federal student aid, you apply for Direct Loans by completing and submitting online the Free Application for Federal Student Aid (FAFSA) at: www.fafsa.ed.gov. FAFSA is a yearly application; hence you have to reapply for financial aid every year. To be certain you are considered for assistance, please be sure to complete and submit your FAFSA not later than June 30, 2012 if you are applying for academic year 2012-2013. In order for us to receive this information once it has been processed, you will need to include AUB college code (G08371) in the college release section.

You will also need to submit the AUB Federal Direct Loan Application which you can find on the AUB Financial Aid Website.

**What are the eligibility requirements?**

- You must be a U.S. citizen or permanent resident (green card holder)
- You must be enrolled at least half-time in a program leading to a degree.
- You must have a Satisfactory Academic Progress
- You must register for Selective Service if you are a male between 18 and 25 years old.

The following students are therefore not eligible for federal student aid:

- Students enrolled in special programs not leading to a degree (Special Not Working for a Degree)
- Visiting students
- Students enrolled for less than half-time
How much can you borrow?

After your FAFSA is processed, the AUB Financial Aid Office (FAO) will review the results and will inform you about your loan eligibility provided you confirmed your enrollment at AUB by submitting the enrollment card and fee to the Admissions Office. Other factors will be used to determine your eligibility including the Expected Family Contribution (EFC) shown on your processed application and other financial assistance you are expecting whether from AUB or other sources.

The maximum Loan amount you can borrow each Academic Year depends also on your academic level in school and whether you are a dependent or independent student.

How do you receive your loan?

In order to receive the amount of loan you are eligible for, you need to complete online an entrance counseling which helps you to understand your responsibilities regarding your loan. You will also have to sign electronically (online) a Master Promissory Note (MPN). The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education.

The loans are normally disbursed two times per year, usually at the beginning of each term, fall and spring of the academic year.

Fees are deducted from the loan funds at the time of disbursement and are included in the amount a student will pay back. For a Direct Stafford Loan, the entire fee goes to the government to help reduce the cost of the loans.

Interest Rates and Repayment

Student loans are borrowed money that must be repaid, with interest. Effective July 1, 2012 the interest rate for the Direct Subsidized and Unsubsidized loans is 6.8%. The interest rate for Parent PLUS Loans is 7.9%.

Repayment begins after a grace period of six months following:
- your graduation, or
- your withdrawal from AUB, or
- your enrollment for less than half-time

Please note that you are required to complete the Exit Counseling before your graduation or withdrawal, or upon your enrollment for less than half-time. You may complete the Exit Counseling online.

Repayment may be delayed by deferment options available to borrowers. There are four main repayment plans for Federal Direct loans, consisting of Standard Repayment and three alternatives.

If you don't make your loan payments when required, you may be charged collection costs and late fees, and there is the possibility that you will lose repayment incentives you may have received or even go into default.

To know more about repayment plans and further details related to Federal Direct Students Loans, please visit the AUB Financial Aid website at www.aub.edu.lb/faid and check the section on Federal Aid (U.S. Citizens Only). You will also find all consumer information as required by the U.S. Department of Education. You will also find information on additional options or alternatives such as private loans and institutional financial aid.

Please contact us if you have further questions on Federal Direct Loans by one of the following:

Email: loan@aub.edu.lb
Telephone: +961 1 350000 Ext. 3164

Or visit us at AUB. Our Office is located in West Hall Building, Basement, Room B-27.