

Federal Stafford Loans

Stafford Loans are processed through the U.S. Department of Education and are funded by the U.S. Treasury. This ensures that the borrower will have a reliable and predictable source of funding.

Steps

- File the [Free Application for Federal Student Aid \(FAFSA\)](#) for the current year. If eligible, Stafford loans will automatically be offered to students who have completed a FAFSA.
- [OPTIONAL] Reduce or decline Stafford Loan amounts online prior to disbursement at [myCSUB](#) to avoid borrowing maximum eligibility.
- Complete a Stafford Master Promissory Note (MPN) and Entrance Counseling at [Direct Loans](#) if not already on file.
 - The MPN is a promissory note that can be used to make one or more loans for one or more academic years (up to 10 years). The MPN is your legal signature for the loan.
 - Before receiving a student loan, borrowers must also complete an entrance counseling session. This quick and easy interactive counseling session provides useful tips and tools to help you develop a budget for managing your educational expenses and helps you to understand your loan responsibilities.
- Complete the FAFSA and clear any account holds well in advance of the end of the term to ensure adequate processing time.
- Prior to graduating or leaving school, Direct Loan borrowers must also complete [exit counseling](#). [Exit Counseling](#) will explain your rights and responsibilities as a Direct Loan borrower.

Federal Direct Stafford Loans cannot be processed after the final day of the term for which the student was enrolled.

[Full disclosure of a student's rights and responsibilities as a Federal Direct Loan borrower.](#)

Types of Stafford Loans

There are two types of Stafford Loans: Subsidized and Unsubsidized

Subsidized Loans

This loan is designed to meet the calculated need of undergraduate and post-baccalaureate Teacher Credential students (up to the maximum allowed at each grade level). For Subsidized Direct Loans, there is no interest charged if the student is continuously enrolled on at least a half-time basis (except for summers). Interest begins after a student is no longer enrolled on at least a half-time basis, and payments begin six months later. The current fixed interest rate is [[Rate](#)].

Unsubsidized Loans

For students who are not able to show need according to the required need analysis calculation, or where the calculated need for a subsidized loan is less than the maximum that is allowed for the student's grade level, students may be offered an Unsubsidized Direct Loan. Students who are receiving unsubsidized loans will be billed monthly or quarterly for the interest, beginning within sixty days of the

first disbursement of the loan. The student may defer the interest until graduation. Full repayment (not just interest) begins within sixty days after the student drops below half-time. The current fixed interest rate is [\[Rate\]](#).

Eligibility

Applicants must be:

- For subsidized loans: an undergraduate or post-baccalaureate Teacher Credential student enrolled at least half-time in an eligible program with financial need;
- For unsubsidized loans: an undergraduate, graduate, or professional student enrolled at least half-time as a degree-seeking student;
- A U.S. citizen, U.S. national or eligible non-citizen of the United States;
- Not in default on a Federal education loan or owe a repayment of Federal Title IV aid;
- In compliance Satisfactory Academic progress standards;
- Below Federal borrowing aggregate limits;
- Loan amount does not exceed your cost of attendance, minus other financial aid and resources.

Accepting / Declining or Reducing your Loan

Once you are awarded a Stafford Loan, you will need to:

- log into your [myCSUB](#) and accept or decline your loan(s);
- complete and sign the online [Master Promissory Note \(MPN\)](#);
- complete online [Loan Entrance Counseling](#)

Details

For Stafford **Subsidized** Loans:

- The current fixed interest rate is [\[Rate\]](#) and begins accruing after you either graduate or drop below half-time enrollment, whichever occurs first.
- Interest rates are subject to change July 1 of each year.
- An Origination Fee of 1.072% is assessed to all borrowers by the Direct Loan Servicer.

For Stafford **Unsubsidized** Loans:

- The current interest rate is [\[Rate\]](#) and begins accruing while you are enrolled;
- Interest rates are subject to change July 1 of each year.
- An Origination Fee of 1.073% is assessed to all borrowers by the Direct Loan Servicer.

Repayment

Repayment does not begin until six months after students either graduate or drop below half-time enrollment, whichever occurs first. At the time a student graduates or drops below halftime enrollment they will also need to complete [Exit Counseling](#).

For questions about payment plans, a complete listing of deferment options and [Direct Loan repayment options](#), please contact the Direct Loan Servicer at 1-800-848-0979. Students may monitor their loan borrowing online through the [National Student Loan Database \(NSLDS\)](#).

The information provided at [Federal Student Aid](#) describes the new [Income Based Repayment \(IBR\) Plan](#) for federal student loans. It includes the IBR eligibility requirements, the benefits of IBR, an IBR payment calculator, and some examples of how a borrower's monthly student loan payment amount can be reduced under IBR.

| Annual Federal Stafford Loan Aggregate Borrowing Limits | | | | |
|---|--|---|--|---|
| Class Level | Dependent Student - Base Amount (Subsidized and/or Unsubsidized) | Dependent Student - Additional Unsubsidized | Independent Student - Base Amount (Subsidized and/or Unsubsidized) | Independent Student - Additional Unsubsidized |
| Freshman (0 to 44 units) | \$3,500 | \$2,000 | \$3,500 | \$6,000 |
| Sophomore (45 to 89 units) | \$4,500 | \$2,000 | \$4,500 | \$6,000 |
| Junior & Senior (90 + units) | \$5,500 | \$2,000 | \$5,500 | \$7,000 |
| Teacher Credential | \$5,500 | \$0 | \$5,500 | \$7,000 |
| Graduate / Doctorate | n/a | n/a | n/a | \$20,500 |
| Lifetime Federal Stafford Loan Aggregate Borrowing Limits | | | | |

| Program Level | Dependent | Independent |
|---------------------------------|---|--|
| Undergraduate | \$31,000 (no more than \$23,000 may be in Subsidized Loans) | \$57,500 (no more than \$23,000 may be in Subsidized Loans) |
| Teacher Credential | \$31,000 (no more than \$23,000 may be in Subsidized Loans) | \$57,500 (no more than \$23,000 may be in Subsidized Loans) |
| Graduate / Doctorate | n/a | \$138,500 (no more than \$65,500 may be in Subsidized Loans) |

For more information on student loans, please refer to [Funding Education Beyond High School: The Guide to Federal Student Aid from the U.S. Department of Education](#) for more information on federal loans.

Repayment Calculator and interest Rates

This [Federal Department of Education webpage](#) provides a budget calculator, current interest rate information, and repayment options available to assist you in managing your student loan borrowing.