



Federal Direct, Federal PLUS Loans and Private Alternative Loans 2025-2026

FEDERAL DIRECT LOAN PROGRAM APPLICATION PROCESS:

The enclosed financial aid offer indicates that you are eligible for a Federal Direct Loan. To receive a Direct Loan, students must be registered for at least six credit hours per semester. You have been packaged with the maximum amount available to you at your grade level. Eligibility for a **Direct Subsidized Loan (Sub)** is based on the federal need analysis formula. The government pays the interest while you are enrolled for at least six hours per semester. The **Direct Unsubsidized Loan (Unsub)** is not based on need and the student is responsible for the interest that accrues while attending school. Interest can be deferred while in school, but it will be capitalized (added on the principal balance of the loan) at repayment, which occurs six months after leaving school.

FEDERAL DIRECT LOAN ANNUAL LIMITS

Dependent Students (Except Students Whose Parents Cannot Borrow a PLUS Loan)	Base Amount Sub or Unsub.	Additional Unsubsidized Loan Amount
Freshman	\$3,500	\$2,000
Sophomore	4,500	2,000
Junior or Senior	5,500	2,000

Independent Undergraduate Students and Dependent Students Whose Parents Cannot Borrow a PLUS Loan	Base Amount Sub or Unsub.	Additional Unsubsidized Loan Amount
Freshman	\$3,500	\$2,000 + \$4,000
Sophomore	4,500	2,000 + \$4,000
Junior or Senior	5,500	2,000 + \$5,000

Graduate and Professional Students	Base Amount Sub	Unsubsidized Loan Amount
	\$-0-	\$20,500

AGGREGATE LOAN LIMITS:

- Undergraduate Dependent Students:** \$31,000 (no more than \$23,000 can be subsidized).
- Undergraduate Independent Students:** \$57,500 (no more than \$23,000 can be subsidized).
- Graduate and Professional Students:** Currently \$138,500 (no more than \$65,500 can be subsidized).

The Office of Financial Aid will electronically transmit your loan eligibility for your Federal Direct Loan to the Federal Government around July 1st of every year. If you are a returning student, your loans will be disbursed after the add/drop period of each semester. If you are a first time student, your first disbursement will be credited to your account about a month after the start of the semester. Graduate student disbursements take place about three weeks into each semester.

Next Steps:

- All students must review and either accept or reject their Direct Loan(s) in the Financial Aid Checklist in Self-Service. You may reduce your Direct Loan at any time in writing. Follow the instructions on your offer letter.
- First-time borrowers are required to complete a Master Promissory Note and the Direct Loan Entrance Interview: go to **Studentaid.gov**

DIRECT LOAN ENTRANCE COUNSELING:

First-time borrowers are required to complete **Direct Loan Entrance Counseling** at **Studentaid.gov** prior to receiving the first disbursement of a Direct Loan. Note: Parent borrowers may be required to complete counseling for PLUS loans.

You will need the following:

1. Verified **Studentaid.gov** account
2. School Name
3. Financial Aid Offer
4. Breakdown of School's Tuition and Fees

DIRECT LOAN MASTER PROMISSORY NOTE:

If you are a first time borrower or if it has been more than 10 years since you borrowed, you will be required to sign your **Direct Loan Master Promissory Note (MPN)**. You can go to **Studentaid.gov** and complete the MPN electronically.

You will need the following:

1. Verified FSA ID (www.studentaid.gov/fsa-id)
2. School Name
3. Permanent/Mailing Address
4. Contact Information
5. Reference Information

These online sessions will take approximately 30 minutes to complete each. **The borrower must complete the sessions in one sitting in order for it to be recorded in the system.**

FEDERAL DIRECT LOAN INTEREST RATES AND FEES:

Effective July 1, 2024, the interest rate for the **undergraduate** Direct Subsidized Loan & Direct Unsubsidized Loan is fixed at **6.53%**. The **graduate** Direct Unsubsidized Loan has a fixed interest rate of **8.08%**. These interest rates are set by the federal government and are subject to change annually on July 1st. There is a **1.057%** origination fee for all subsidized and unsubsidized loans on or after October 1, 2024, and before October 1, 2025. For example, a loan for \$3,500 for fall and spring semesters will net \$3,463 (\$3,500 less 1.057%) or \$1,731 per semester.

Sample Repayment Schedule for Direct Subsidized and Unsubsidized Loans

Processed after July 1, 2024

Subsidized & Unsubsidized fixed at 6.53% interest (for undergraduates only)				Fixed 8.08% interest rate for Graduate Unsubsidized			
Loan Amount	No. of Payments	Monthly Payment	Total Repaid	Loan Amount	No. of Payments	Monthly Payment	Total Repaid
\$ 5,500	120	\$ 63	\$ 7,504	\$20,500	120	\$250	\$ 29,951
\$12,000	120	\$136	\$16,373	\$41,000	120	\$499	\$ 59,901
\$19,500	120	\$222	\$26,606	\$61,500	120	\$749	\$ 89,852
\$27,000	120	\$307	\$36,839	\$82,000	120	\$998	\$119,802

DIRECT PLUS LOANS FOR PARENTS AND GRADUATE STUDENTS:

Direct PLUS Loans are an option to bridge the gap between the cost of attendance and our financial aid package. Direct PLUS Loans are for either parents or step-parents of undergraduate students, and graduate students borrowing on their own. Borrowers must be US citizens or an eligible non-citizen, by federal definition. Loan approval is subject to credit criteria established by the US Department of Education. A credit report will be obtained from a national credit bureau once you submit a request for approval.

Effective July 1, 2024, the interest rate for PLUS Loans is fixed at **9.08%**. These interest rates are set by the federal government and are subject to change annually on July 1. There is a **4.228%** origination fee for all PLUS loans on or after October 1, 2024, and before October 1, 2025. Borrowing limits are determined by the cost of attendance less any financial aid.

HOW TO APPLY FOR A DIRECT PLUS LOAN:

Parents, or Graduate students, interested in borrowing through the PLUS Loan program are requested to wait until June 1, 2025, to apply.

- Students must complete the Free Application for Federal Student Aid (FAFSA) before you apply for a PLUS loan.
- You will then go to **Studentaid.gov** to begin the application process.

You will need the following:

1. Parent's Verified FSA ID (www.studentaid.gov/fsa-id) (If applying for a Parent PLUS)
2. Requested Loan Amount (The amount you want to borrow)
3. School Name
4. Student Information (First Name, Middle Initial, Last Name; Social Security Number; Date of Birth; Permanent Address; Telephone Number)
5. Personal Information (Permanent and Mailing Address; U.S. Address; Telephone Number; Email Address)
6. Employer's Information (Employer's Name; Employer's Address; Employer's Telephone Number)

You are required to apply for a Direct PLUS Loan each year you need a new one. Repayment of your Direct PLUS Loan may be deferred until six months after the student ceases to be enrolled at least six hours per semester.

If a parent is denied a PLUS loan, the student will receive an additional unsubsidized loan. See page 1 for details.

PLUS Loan Sample Repayment Schedule at 9.08% Fixed Interest Rate

Loan Amount	No. of Payments	Payment Amounts	Total Repaid
\$ 4,000	120	\$ 50	\$ 6,101
\$ 6,000	120	\$ 76	\$ 9,152
\$10,000	120	\$127	\$15,253
\$15,000	120	\$191	\$22,880
\$20,000	120	\$254	\$30,506
\$25,000	120	\$318	\$38,133
\$30,000	120	\$381	\$45,759

PRIVATE ALTERNATIVE LOANS:

A number of lenders, credit unions and agencies sponsor alternative loans, home equity loans and lines of credit to help families finance the cost of a college education. The following is a representative listing of such programs. Contact these lenders for the latest terms and rates. Loans are available for both undergraduate and graduate students.

- Niagara University does not automatically certify alternative loans until students have completed the FAFSA and their eligibility for Federal Direct Loans has been determined.
- It is usually in the student's best interest to borrow from the Federal Direct Loan program first before borrowing an alternative loan. **There is no cap on the interest rate for an alternative loan.**
- If a student does not intend to complete a FAFSA and **only wants an alternative loan**, we must be notified in writing to determine your eligibility for the alternative loan.
- Please visit niagara.edu/loans-and-payment/ for more information.

PRIVATE CREDIT BASED ALTERNATIVE LOANS

Borrowers have the right and ability to select the education loan provider of their choice and are not required to use any of the lenders on this list. Niagara receives no incentive or benefit from any lender on this list. All of the listed lenders provide loans for Graduate and Undergraduate students to provide funds beyond what federal programs can offer. Students can borrow up to cost of attendance minus financial aid. It is best to contact the lender concerning current rates and benefits.

AAA Advantage Student Loan

The AAA Advantage Student Loan is a private student loan with no fees and low fixed and variable rates. 3% principal reduction with proof of graduation and proof of AAA Membership. Includes 0.25% interest rate reduction after 36 on-time consecutive payments and 0.25% rate reduction when auto pay is selected as well. With multiple repayment options and a cosigner release option available after 36 consecutive on-time payments. Consumers can check their rate in minutes without impacting their credit score. Learn more and apply online at www.aaadvantageloan.com or call 800.513.1464.

Citizens Bank Student Loan

The Citizens Bank Student Loan has zero origination fees and low interest rates with your choice of variable or fixed rate options. Multi-Year Approval offers a simple way to secure money for all years of school with just one application. Lower your interest rate by up to 0.50 percentage points with the Loyalty and Automated Repayment Discount. Ability to defer payments for six months after graduation. Cosigner release option is available after 36 consecutive on-time payments. Loan forgiveness in the event of permanent disability or death of the student. Can cover past due balances up to 365 days. Students must be enrolled at least half-time in a degree granting program. Learn more and apply online at www.citizensbank.com/studentloans or call 800.708.6684.

College Ave

The College Ave Student loan has no origination or processing fees and offers low fixed and variable rate options. Offers multi-year Peace of Mind loan option. Borrowers have repayment term choices and a choice of in-school repayment options with interest rates that reward responsible borrowing. Includes 0.25% interest rate reduction for auto debit in repayment. Potential borrowers can find out whether their credit pre-qualifies for the loan and what rates they personally can expect from us before they apply - without affecting their credit score. Cosigner release options available as well as past due balances. Learn more at www.collegeavestudentloans.com or call 800.422.7502.

CU Student Choice

CU Student Choice Partners works with America's top credit unions across the country offering low interest rates and no upfront fees. Offers a multi-year line-of-Credit (LOC), which can be used over multiple years throughout an undergraduate career. Each year, students simply determine how much of the eligible LOC amount they will need - without having to complete an entirely new application. Includes 0.25% interest rate reduction for auto debit in repayment. Customer Service Center available 24/7. Some credit unions offer cosigner release options available after making 48 consecutive on time payments. Apply online at www.studentchoice.org/colleges or call 844.652.2980.

Earnest Student Loans

Earnest offers variable and fixed rate options are available. Borrower benefits and features include .025% auto pay discount, extended grace period of 9 months, skip-a-payment every 12 months, no fees including no late fees ever, Satisfactory Academic Progress (SAP) not required, and past due balance loans up to 365 days with current enrollment not required. Apply online at www.earnest.com/student-loans or by calling 888.601.2801.

Sallie Mae Student Loans

The Sallie Mae Student loan has zero fees if attending a degree granting institution. Variable and fixed rates are available. Past due balances are covered within 365 days of the loan period end date. Students can be less than half time, half time or full time. Includes 0.25% interest rate reduction for auto debit in repayment. A Cosigner release option is available after 12 consecutive on time payments are made. Income and employment verification is required. Loan forgiveness in the event of the death or permanent disability of the student is available. Apply online at www.salliemae.com/student-loans or call 877.279.7172.

SoFi Student Loans

SoFi offers variable and fixed rates with no origination or late fees. Apply online or on your mobile device and check your rate in 3 minutes or less without affecting your credit score. Money saving borrower benefits includes a 0.25% rate reduction for autopay, 0.25% returning borrower discount, 0.25% family rate discount, and the opportunity to earn and redeem SoFi points to pay down your SoFi student loan. Borrowers can defer payments for six months after graduation, a cosigner release option is available after 24 consecutive on-time payments, and you can apply for a loan to cover a past due balance up to 180 days. Students must be enrolled at least half-time in a degree granting program except for the last term. Learn more and apply online at www.sofi.com/private-student-loans or call 855.456.7634.

If you would like to shop around and compare private student loans you can go to www.elmselect.com.

FORMS:25-26 Loan wrap