



## Federal Direct, Federal PLUS Loans and Private Alternative Loans 2026-2027

### 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:

<b>Undergraduate Dependent Students:</b>	\$31,000 (no more than \$23,000 can be subsidized).
<b>Undergraduate Independent Students:</b>	\$57,500 (no more than \$23,000 can be subsidized).
<b>Graduate Students:</b>	\$100,000 starting July 1, 2026 (not including Undergraduate Loans).
<b>Lifetime Loan Limits:</b>	All levels \$257,000, without regard to any amounts repaid, forgiven, canceled, or otherwise discharged.

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](http://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, 2025, the interest rate for the **undergraduate** Direct Subsidized Loan & Direct Unsubsidized Loan is fixed at **6.39%**. The **graduate** Direct Unsubsidized Loan has a fixed interest rate of **7.94%**. 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, 2025, and before October 1, 2026. 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, 2025

Subsidized & Unsubsidized fixed at 6.39% interest (for undergraduates only)				Fixed 7.94% 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	\$ 62	\$ 7,457	\$20,500	120	\$248	\$ 29,769
\$12,000	120	\$135	\$16,270	\$41,000	120	\$496	\$ 59,537
\$19,500	120	\$220	\$26,439	\$61,500	120	\$744	\$ 89,306
\$27,000	120	\$305	\$36,608	\$82,000	120	\$992	\$119,075

**DIRECT PLUS LOANS FOR PARENTS:**

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. 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, 2025, the interest rate for PLUS Loans is fixed at **8.94%**. 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, 2025, and before October 1, 2026. Borrowing limits are \$20,000 per year, with an aggregate limit of \$65,000.

## 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, 2026, 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](http://www.studentaid.gov/fsa-id))
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 8.94% Fixed Interest Rate			
Loan Amount	No. of Payments	Payment Amounts	Total Repaid
\$ 4,000	120	\$ 50	\$ 6,065
\$ 6,000	120	\$ 76	\$ 9,097
\$10,000	120	\$126	\$15,162
\$15,000	120	\$190	\$22,743
\$20,000	120	\$253	\$30,324
\$25,000	120	\$316	\$37,905
\$30,000	120	\$379	\$45,486

## 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/](http://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 offers a significant incentive with a 3% principal reduction upon the borrower's graduation. The program strictly maintains a no-fees structure, including no origination, late, or returned payment fees. A cosigner may be released after 36 consecutive on-time principal and interest payments. Learn more and apply at [www.aaaadvantageloan.com](http://www.aaaadvantageloan.com) or call 800.513.1464.

### Ascent Funding, LLC

Ascent is unique for its Outcomes-Based Loan for eligible juniors and seniors, which does not require a cosigner or established credit history. This lender offers a generous Automatic Payment Discount of up to 1.00% and provides a quick cosigner release option after just 12 consecutive, on-time principal and interest payments. Eligible borrowers can also receive a 1% cash back reward on the loan principal upon graduation. Learn more at [www.ascentfunding.com](http://www.ascentfunding.com) or by calling 1.877.216.0876.

### Citizens

This lender offers a Multi-Year Approval option, allowing students to secure funding for their entire degree with one application and without repeated hard credit checks. Borrowers can qualify for a combined 0.50% interest rate discount through their Loyalty and Automatic Payment Discounts. The loans feature no application, origination, or prepayment fees, and a cosigner can be released after 36 consecutive on-time payments. Learn more and apply at [www.citizensbank.com/studentloans](http://www.citizensbank.com/studentloans) or call 800.708.6684.

### College Ave

College Ave stands out for its highly customizable loan options, allowing borrowers to select the exact repayment plan and loan term that fits their budget. They allow borrowing up to 100% of the school-certified cost of attendance and do not charge application or origination fees. Their flexible options include four in-school payment plans, from full deferment to making full principal and interest payments. Learn more at [www.collegeave.com/student-loans](http://www.collegeave.com/student-loans) or call 800.422.7502.

### Earnest

Earnest provides exceptional flexibility, allowing eligible borrowers to Skip a Payment once per year without penalty. The lender proudly enforces a strict No Fees policy, covering origination, prepayment, and even late fees. Additionally, Earnest provides various temporary hardship options, such as a Rate Reduction Program and loan term extensions, and offers flexible repayment schedules like biweekly payments. Apply online at [www.earnest.com/student-loans](http://www.earnest.com/student-loans) or by calling 888.601.2801.

### PHEAA (Pennsylvania Higher Education Assistance Agency)

The PA Forward program, administered by PHEAA, offers competitive, fixed-rate private loans that can cover up to 100% of the school-certified cost of attendance. The loans feature no application or origination fees and provide a valuable 0.50% interest rate reduction upon graduation. Borrowers who enroll in Direct Debit receive an additional 0.25% discount, though cosigner release is available after a longer term of 48 qualifying payments. Learn more at [www.pheaa.org](http://www.pheaa.org) or by calling 1.866.233.3360.

### Sallie Mae

Sallie Mae allows students to borrow up to 100% of the school-certified cost of attendance, covering expenses like tuition, books, and even a laptop. They offer three distinct in-school repayment options, and borrowers and cosigners also receive access to their quarterly FICO® Credit Scores. A cosigner can be released after the borrower makes just 12 consecutive on-time principal and interest payments. Apply online at [www.salliemae.com/student-loans](http://www.salliemae.com/student-loans) or call 877.279.7172.

### SoFi Private Student Loans

SoFi offers a highly valuable Unemployment Protection benefit, which temporarily pauses payments and provides job placement assistance if the borrower loses their job. New students can receive a cash bonus of up to \$250 for good grades, and the loans come with a robust No Fees policy. SoFi also provides extensive member benefits like free career coaching, financial planning, and networking events. Learn more and apply online at [www.sofi.com/private-student-loans](http://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](http://www.elmselect.com).