

# Federal Stafford Student Loans



Get a  
**0.25%**  
interest rate reduction  
with the Automatic  
Payment  
Benefit.

## When does repayment begin?

If you receive a subsidized or unsubsidized Stafford loan, you have a 6-month grace period.

During the grace period you are not required to make payments on your loan. Repayment begins 6 months after you complete school, leave school, or drop below half-time enrollment.

If you receive an unsubsidized Stafford loan, you are responsible for the interest that accrues from the day of the first loan disbursement. However, you have a choice: you can choose to pay the interest while in school or defer payment until later. Any interest you choose not to pay will be added to the amount you borrowed.

## What are my deferment options?

After repayment begins, you may request a deferment (postponement of repayment) if you meet certain eligibility requirements such as economic hardship, military service, or re-enrolling in school. Even if you are not eligible for a deferment, in times of economic hardship you can request a forbearance (a temporary reduction or cessation of payments while interest continues to accrue). Contact UHEAA for more information.

## How do I apply for a Stafford loan?

Apply for financial aid through your school's financial aid office, and indicate that you are interested in applying for a Stafford loan. The financial aid office will help guide you through the loan application process. They can also give you other important information to help you manage your finances and choose an appropriate loan amount.

## Important points to remember:

- Before obtaining any loan, always check with your financial aid office for information on other sources of financial aid, including scholarships, grants, and work-study.
- Borrow only what you need.
- Remember, you must repay your loan.
- Always keep UHEAA informed of your correct address, telephone number, and e-mail address.
- Contact UHEAA if you have any questions regarding your loan.

## Any further questions?

Web site: [www.uheaa.org](http://www.uheaa.org)  
Call: 801.321.7294 (Salt Lake)  
877.336.7378 (toll free)  
E-mail: [uheaa@utahsbr.edu](mailto:uheaa@utahsbr.edu)  
Write to: P.O. Box 145112  
Salt Lake City, Utah 84114-5112

*UHEAA Borrower Benefits are subject to change without notice.  
Terms and conditions apply.  
Please visit [www.uheaa.org](http://www.uheaa.org) for more information.*

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[www.uheaa.org](http://www.uheaa.org)  
[uheaa@utahsbr.edu](mailto:uheaa@utahsbr.edu)  
877.336.7378

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## Should I Borrow?

Borrowing wisely can help you through school to a better financial future. But unless you are careful, you can find yourself deep in debt once you graduate. Before applying for a Federal Stafford Loan, check with your financial aid office for information on other sources of financial aid, including scholarships, grants, and work study. Always borrow cautiously.

## What is a Federal Stafford loan?

A Stafford loan is a low-interest, government-backed loan which can be used to pay higher education expenses. Stafford loans are available to eligible students attending participating schools.

## What is the difference between subsidized and unsubsidized Stafford loans?

*Subsidized* Stafford loans are available to borrowers who have financial need based on a federal formula. The federal government pays all interest costs for subsidized Stafford loan borrowers while the borrower is in school, during the 6-month grace period, and during authorized deferment periods.

*Unsubsidized* Stafford loans are available to borrowers who do not have financial need based on the federal formula. The borrower is responsible for all interest that accrues on unsubsidized Stafford loans.

## What is the interest rate and fees?

The interest rate depends on when your loan is first disbursed. Contact UHEAA or your school for more information. Federal law requires certain fees to be charged to each loan made, including a 0.5% origination fee and a 1% federal default fee. Fees charged to the borrower are deducted from the loan proceeds when the money is sent to the school.

## How is the loan disbursed?

You will receive your loan proceeds in one or more disbursements over the course of the academic year. Your loan will be disbursed to the school by check or electronic funds transfer.

## How much can I borrow?

The following tables explain the maximum amounts you may be eligible to borrow under the Federal Stafford Loan Program.

### Stafford Maximums (beginning July 1, 2008)

Student Level & Dependency status	Maximum Stafford (subsidized & unsubsidized)	Maximum Subsidized
Dependent freshman	\$5,500	\$3,500
Dependent sophomore	\$6,500	\$4,500
Dependent junior or senior	\$7,500	\$5,500
Independent freshman	\$9,500	\$3,500
Independent sophomore	\$10,500	\$4,500
Independent junior or senior	\$12,500	\$5,500
Graduate/ Professional	\$20,500	\$8,500
Medical	\$40,500	\$8,500

### Lifetime limits (beginning July 1, 2008)

Student Level & Dependency status	Maximum Stafford (subsidized & unsubsidized)	Maximum Subsidized
Dependent undergraduate	\$31,000	\$23,000
Independent undergraduate	\$57,500	\$23,000
Graduate/ Professional*	\$138,500	\$65,500
Medical	\$224,000	\$65,500

\* The graduate debt limit includes loans received for undergraduate study

## What extra benefits do I receive by borrowing a Stafford loan through UHEAA?

If you receive your loan from a UHEAA Partner Lender that sells its loans to UHEAA's secondary market, you may qualify for some or all of the following benefits:

- **Automatic Payment Benefit**  
When your loan enters repayment, your interest rate will be reduced by 0.25% if your monthly payments are automatically withdrawn from your bank account. You will not only save the time and money associated with mailing payments each month, but you will also save hundreds of dollars in interest charges over the life of the loan.
- **Local Service**  
UHEAA offices are located in Salt Lake City and Customer Service Representatives are available by telephone, e-mail, or in-person consultations.
- **State of the Art Technology**  
UHEAA provides a secure e-sign process as well as a complete set of self-service tools that enable you to manage your loans. You can check the status of your account and update your contact information at our Web site, [www.uheaa.org](http://www.uheaa.org). You can also access your account 24 hours a day by phone (877.336.7378).
- **Online Planning Tools**  
The UHEAA Web site offers a wide variety of tools including financial planning calculators and instructional videos to walk you through the financial aid process.

\*See [www.uheaa.org](http://www.uheaa.org) for a list of UHEAA Partner Lenders.